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Japan

Working-Level Auto Talks With U.S. Conclude

'Wide' Gap Continues

OW1702134195 Tokyo KYODO in English 1332 GMT 17 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 KYODO—Japan and the United States ended three days of working-level auto talks here Friday [17 February] after confirming what the Japanese side terms "a wide discrepancy of views."

"Discussion was held in a friendly and constructive manner," said a Japanese negotiator. "But we were unable to narrow the discrepancy." He said the date of the next meeting has yet to be fixed.

No U.S. officials were reached for comment.

The talks under the bilateral "framework" talks focused on how to enhance American access to Japan's finished-car market and the repair-parts market, including components used at Japanese makers' plants in the U.S.

The Japanese negotiator declined to comment on specifics, saying the talks are still continuing.

He said Japan proposed a set of measures to the U.S. side, aimed at expanding the number of Japanese dealers handling U.S.-made cars.

Japanese sources said the proposal includes holding a joint survey of 1,600 Japanese dealers to see if they are willing to sell foreign automobiles.

A questionnaire in the proposed survey holds such questions as what models dealers would be interested in selling and how much commission they would charge foreign automakers for each vehicle sold, the sources said.

They said Japan also proposed that it select several dozen car dealers who are willing to deal in foreign cars and arrange for them to meet representatives from the U.S. "Big Three" automakers.

The latest session followed subcabinet-level talks in Washington in late January, the first meeting since the talks broke down in October.

Auto talks are the only pending issue among the four priority areas under the framework for new trade and economic ties between Tokyo and Washington.

In October, Washington decided to begin a probe into the auto trade in line with Section 301 of the 1974 Trade Law, a provision that would lead to sanctions.

MITI Negative on U.S.Proposal

OW1602141995 Tokyo ASAHI SHIMBUN in Japanese 16 Feb 95 Morning Edition p 12

[By reporter Hiroaki Ito]

[FBIS Translated Text] Washington, 15 Feb—The U.S. Government has firmed up its intention to take up during negotiations over automobiles and auto parts under the Japanese-U.S. framework trade talks a controversy that has developed over the adoption of a car navigation system jointly developed by Nippondenso Co. Ltd., Toshiba Corporation, and an American firm. The U.S. Government considers that when it comes to completing the product, the Japanese firms "are intentionally obstructing the adoption of the system."

According to a senior U.S. Government official, the car navigation system in question was developed by the Magellan Corporation in California. In August 1993, the American company agreed to form a consortium with three Japanese firms, including Nippondenso and Toshiba, to jointly develop a product for marketing in Japan. U.S. Commerce Secretary Ronald Brown, who witnessed the consortium signing ceremony, praised the undertaking, saying: "This is a model case for cooperation in bilateral trade."

However, according to Magellan, Toshiba notified the American company in January 1994 to move up the delivery date, saying: "Thorough testing of the products cannot be completed before their planned shipment in September if they are to be delivered by the end of May as initially scheduled." Moreover, on grounds that "domestic makers are planning to market inexpensive models in the future," the Japanese firms reportedly demanded in April that changes be made in the pricing of the products and repeatedly asked for changes in, among other things, the delivery date, performance, specifications, and prices.

Magellan claims that despite the fact that its three Japanese partners had confirmed its products met the Japanese specifications, they have deferred adopting the system. The company has sternly criticized the Japanese firms, saying: "Nippondenso and Toshiba are stalling for time by picking out flaws in our products here and there. They are resorting to such a strategy because Nippondenso wants to see its own products become competitive, and Toshiba wants to see products developed by domestic makers become competitive."

A senior U.S. Government official has said he regards "the trade barrier which Magellan has encountered as being of the same nature as that which foreign firms encountered in trying to gain access to the Japanese auto parts market and one which symbolizes the noncompetitive nature of trade practices among Japanese firms." He has indicated that the U.S. Government is preparing to take up this issue at the upcoming trade talks.

Meanwhile, the Ministry of International Trade and Industry has responded negatively to the idea of formally taking up the issue at the trade talks, saying: "Governments cannot negotiate over details of a contract among private firms. If we were to do so, then we would have to be involved in every single business transaction."

Differing Price Bases Affect Trade Figures

OW1702111895 Tokyo KYODO in English 1047 GMT 17 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 KYODO—Japan and the United States use a different price basis to calculate external trade, resulting in a discrepancy of trade statistics, the Finance Ministry said Friday [17 February].

A joint survey on inconsistent bilateral trade data showed that 1992 imports to Japan from the U.S. were 9.2 percent more than U.S. exports to Japan.

Meanwhile, Japan's 1992 exports to the U.S. were 1.7 percent less than U.S. imports from Japan, it said.

The ministry attributed the differences chiefly to different calculation methods.

Japan's imports are calculated on a cost, insurance and freight (CIF) basis, while U.S. exports are figured on a free alongside ship (FAS) basis, it said.

Japan's exports are calculated on a free on board (FOB) basis, while U.S. imports are done so on a FAS basis, it said.

The differing trade figure is also partly due to the fact that Japan's imports include U.S. products sent via third countries and cargoes of Japanese origin reimported from the U.S., both of which the U.S. does not count as exports to Japan, it said.

Hiroshima Mayor To Hold A-Bomb Exhibit in U.S.

OW1702034695 Tokyo KYODO in English 0317 GMT 17 Feb 95

[FBIS Transcribed Text] Hiroshima, Feb. 17 KYODO—Hiroshima Mayor Takashi Hiraoka and survivors of the 1945 atomic bombing of the city will visit the United States in May to tell people directly how the bombing reduced Hiroshima to ashes, the municipal government said Friday [17 February].

The city has decided to dispatch the mayor and two survivors to the U.S. together with materials from the Peace Memorial Museum to hold its own exhibition and symposium to fill what they consider to be missing from a special exhibition at the Smithsonian Institution in Washington in May, officials said.

The institution decided late January to scale down its planned exhibition on the nuclear attacks on Hiroshima and Nagasaki.

The new version, hailed by the White House and U.S. war veterans, will show images of neither the casualties nor the mass destruction inflicted by the atomic bombing of the two cities near the end of World War II.

Hiraoka, who earlier said he fears that the exhibition of the body of the Enola Gay aircraft that dropped the atomic boms will only make the bombing a "heroic deed," announced the city has earmarked 47 million yen in the fiscal 1995 budget to hold its own version of an atomic bomb exhibition.

After the Smithsonian decision, several U.S. universities said they would cooperate to hold a different exhibition, according to the city.

Hiraoka and two of the survivors will visit the U.S. at a time close to the Smithsonian exhibition and will speak at a symposium, officials said.

Hiraoka also hopes to participate in a TV debate, and the city will publish advertisements in U.S. newspapers, they said.

Materials from the city's museum, such as photos and remains of items destroyed in the bombing, will be lent to the universities, they said.

Hiraoka said the purpose of his visit to the U.S. is "not to accuse the United States, but to show people, in a calm manner, the inhumanity of nuclear arms so that the human race can survive."

Okinawa Mayors Criticize U.S. Base Plans

OW1702122995 Naha RYUKYU SHIMPO in Japanese 17 Feb 95 Morning Edition p 17

[FBIS Translated Text] It has been reported that as measures to resolve the three pending issues involving U.S. military bases on Okinawa, Naha Military Port is likely to be relocated to Makiminato and the parachute training, which takes place at Yomitan Auxiliary Airfield, will probably be conducted at a training ground on Camp Hansen. Urasoe City, which has administrative jurisdiction over the location where the Naha Military Port will be relocated, is reacting strongly, saying: "We will take actions, including staging a general citizen uprising rally, against the relocation." Yomitan Village, where Yomitan Auxiliary Airfield is located, welcomes the reports that the parachute training will be conducted at a Camp Hansen training ground, saying: "A direction has been set for resolving the problems." Kin Town demands a permanent halt to the U.S. Forces' live-fire exercises across Prefectural Highway No.104, saying: "Cutting back on the frequency of the live-fire exercises alone is of no significance."

Urasoe

Commenting on reports that during Japan-U.S. talks, both Japanese and U.S. officials have discussed the possibility of relocating Naha Military Port to Makiminato in Urasoe City, Urasoe Mayor Seiko Gibo said: "Why are they going to relocate the military port to Makiminato? We see no reason to approve the relocation." The mayor went on to say: "If a situation is created where both Japan and the United States decide to relocate the military port to Makiminato, I will stake my political life on fighting it." In this way, the mayor indicated that he would lead a campaign against the relocation.

Urasoe City has long promoted its west coast development, which it characterizes as being a most important project. On 3 February, the Deliberation Council on Naha City and District Harbor endorsed Urasoe City's plan for the second reclamation of the west coast areas.

Mayor Seiko Gibo said: "The development of west coast areas started long ago. Our city has not unilaterally promoted the development. For Okinawa to become economically self-reliant, military bases on Okinawa should be turned into economic bases. Makiminato is the only place in Okinawa suitable to build a major port." He then stressed Makiminato's economic potential. He went on to say: "We should not leave undone what our future generations will regret one hundred years from now." He indicated that he would take specific actions, including staging a general citizen uprising rally, after watching future developments, to demand scrapping the plan to relocate the military port to Makiminato.

Yomitan

In response to reports that the parachute training would be conducted at a Camp Hansen training ground, a joyous mood is spreading in Yomitan Village where Yomitan Auxiliary Airfield is located.

The auxiliary airfield is located in the middle of six housing areas. In the past, a misdrop caused an accident, killing one person. Yomitan Villagers have long desired a "halt to the parachute training."

Yomitan Mayor Tokushin Yamauchi said: "The 'peace dividend' has come to Okinawa at long last. Both Japanese and American officials have worked to halt the parachute training in response to the Okinawans' longstanding hopes. A direction has been set for resolving problems and I am pleased with it."

Referring to a village in which the parachute training is to be conducted, he said: "Honestly speaking, it makes me sad to think of the present situation where the parachute drop training should be conducted somewhere else on Okinawa."

Upon hearing reports that the parachute training will be halted, Genichi Higa, Landlord Association for Regaining Land Titles president, appeared surprised, asking: "Are the reports true?" He said with a big smile: "The halt to the parachute training will result in returning lands in the airfield. This is a major step forward. Prospects have been opened for returning the lands." Kin and Ginoza [subhead]

Commenting on reports that the frequency of live-fire exercises by U.S. Forces on Okinawa across Prefectural Highway No. 104 will be reduced, Minoru Afuso, chief of Igei District in Kin Town, which has suffered from the sound of shelling, said: "The decrease in the frequency of live-fire exercises alone is of no significance. What we have demanded is the removal of the live-fire exercise ground. Problems will remain unresolved as long as the exercise ground is not removed."

The Ginoza Village Assembly, which has been mentioned as a potential site for conducting parachute training, adopted a statement last June claiming that the relocation of the parachute training ground to our village will create a major impediment to implementing the basic blueprint for the utilization of returned military lands and we can absolutely not approve the relocation.

Envoys Agree on Need To Continue Aid to Iran

OW1602123595 Tokyo MAINICHI SHIMBUN in Japanese 16 Feb 95 Morning Edition p 2

[FBIS Translated Text] Japanese ambassadors to Middle East countries gathered for a grand meeting on 14-15 February at the Foreign Ministry. Regarding the issue of yen loans to Iran, which has been labeled a "terrorist-supporting country," the envoys unanimously agreed that Japan should continue providing economic assistance to Iran in line with objectives stated in the outline on Official Development Assistance (ODA) programs since "it would not be beneficial to the stability of the Gulf region to isolate Iran."

Tokyo Planning Strategy for Kono-Kozyrev Talks

OW1702064195 Tokyo SANKEI SHIMBUN in Japanese 16 Feb 95 Morning Edition p 2

[FBIS Translated Text] In preparation for Russian Foreign Minister Kozyrev's 2-day visit to Japan starting on 2 March, the Foreign Ministry is hastening to put finishing touches on its policies for Japanese Foreign Minister Yohei Kono's talks with his Russian counterpart. The Japanese side intends to deal with the talks with emphasis on 1) making progress in the Japan-Russia working group for preparing a peace treaty after solving the northern territorial issue, and 2) the ensuring of safe fishing in the sea near the four northern territorial islands. The talks are expected to be held on 3 March.

Foreign Minister Kozyrev will visit Japan for the first time since October in 1993, when he accompanied President Yeltsin on his Japan visit. The Japan-Russia foreign ministerial talks will be held for the first time in five months, the last meeting was in late September when he attended the UN General Assembly session.

Although a working group meeting for preparing a peace treaty between Japan and Russia was held last December as part of efforts to settle the northern territorial dispute, the biggest pending issue between the two nations, progress was not made in the negotiations. With this in mind, the Japanese Government hopes to have the working group negotiations resumed with the aim of finding a clue to settling the territorial issue. In addition, to ensure Japan's safe fishing in the water area near the territorial islands, the Japanese Government plans to ask the Russian side to start full-fledged negotiations on concluding a fishery agreement.

EU Reluctant To Accept Tokyo's Auto Proposal

OW1602133595 Tokyo KYODO in English 1234 GMT 16 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO—Negotiators from the European Union (EU) on Thursday [16 February] showed reluctance to accept Japan's for the EU to raise its overall import quotas for Japanese-made motor vehicles to more than one million vehicles this year from the current limit of 993,000, Japanese officials said.

Japan's car exports to the EU totaled only 818,000 last year, the officials said on the first of two days of auto trade talks at the Ministry of International Trade and Industry.

Japanese officials called for the quota increase on the grounds that demand for automobiles in the EU is expected to increase by 5 percent this year over the previous year in light of the region's economic recovery.

Japan also asked the EU to exclude its new members—Sweden, Finland and Austria - from the import quota. But EU negotiators refused to accept the request, according to Japanese officials.

The two Japanese proposals will be discussed again in the second day's session of the talks, the officials said.

Chairman Pledges Keidanren Support for APEC

OW1602060595 Tokyo KYODO in English 0344 GMT 16 Feb 95

[FBIS Transcribed Text] Singapore, Feb. 16 KYODO—Shoichiro Toyoda, chairman of the Japan Federation of Economic Organizations (Keidanren), told a Singapore business leader that the Japanese business group will strongly support the Asia-Pacific Economic Cooperation (APEC) forum, a Keidanren official said Thursday [16 February].

Toyoda, leading a top-level mission of the Keidanren, is now visiting Singapore on the first leg of the 12-day tour to Singapore, Thailand and Vietnam.

The Keidanren official who is taking part in the mission said that Toyoda pledged the support at a meeting with Robert Chua, president of the Singapore Federation of Chambers of Commerce and Industry.

"In order to promote private-sector exchanges in Asia, it is important to improve the business environment," the official quoted Toyoda as telling Chua, "and in this context the APEC forum is very important."

Keidanren will offer its utmost support for this year's APEC meeting, slated in November in Osaka, Japan, Toyoda said, according to the official.

Chua replied favorably, saying he expects the Japanese business sector to take a more active role in the Osaka APEC meeting, the official added.

Keidanren Supports Europe-Asia Summit Plan

OW1602142395 Tokyo KYODO in English 1334 GMT 16 Feb 95

[FBIS Transcribed Text] Singapore, Feb. 16 KYODO—Japan's influential Federation of Economic Organizations (Keidanren) on Thursday [16 February] kept mum on the East Asian Economic Caucus (EAEC) but expressed support for Singapore's idea for a summit of European and Asian leaders.

A Keidanren mission, which is now visiting Singapore on the first stop of an Asian tour, did not give any "response" when the issue of the EAEC was brought up during talks with Singaporean Prime Minister Goh Chok Tong earlier in the day, a Keidanren spokesman said.

Masaya Miyoshi, director general of Keidanren, said Goh told the delegation that the EAEC plan is good but would be meaningless without the participation of Japan.

Goh also told the delegation that the EAEC plan would not be acceptable if it weakens the wider Asia-Pacific Economic Cooperation (APEC) forum, and that Singapore places greater priority on APEC rather than the EAEC.

Keidanren has so far refrained from making public comments on the EAEC because of pressure from the Japanese Government, which is reluctant to support the EAEC for fear of antagonizing the United States, Japanese sources said.

The Keidanren delegation, however, voiced support for Goh's idea for a Europe-East Asian [EEA] summit, which is aimed at improving the links between Europe and east Asia.

Goh asked the Keidanren mission to convey to the Japanese Government his hope that Japan will support his plan for the Europe-East Asian summit.

Goh also urged Japanese companies to invest in the Suzhou industrial township, which is a joint project of the Singapore and Chinese Governments in China's Jiangsu Province.

The Keidanren delegation, which is headed by Keidanren Chairman Shoichiro Toyoda, said Singapore needs to put in more effort to publicize and explain the feasibility of the project to Japanese companies, which currently have very little information about it.

The 11-member Keidanren delegation, which comprises the leaders of some of Japan's biggest companies, will leave Singapore on Friday for Thailand and later Vietnam.

ROK Trade Deficit With Tokyo Hits Record

OW1702113995 Tokyo KYODO in English 1119 GMT 17 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 17 KYODO—South Korea's trade deficit with Japan in 1994 topped 10 billion dollars for the first time, reaching 11,867 million dollars, Customs Administration officials said Friday [17 February].

The bilateral imbalance exceeded the country's global trade deficit for the third straight year, the officials said.

The country's overall trade deficit stood at 6,335 million dollars, they said.

They said exports to Japan surged 16.9 percent over the year before to 13,523 million dollars, paced by brisk orders for chemical products.

It was the first increase since 1990, they said.

Imports from Japan also climbed 26.9 percent to 25,390 million dollars, posting the highest year-on-year rise since 1990, they said.

Kono on DPRK Aid, Normalization Talks

OW1702133295 Tokyo KYODO in English 1316 GMT 17 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 KYODO—Foreign Minister Yohei Kono said Friday [17 February] that international aid to North Korea's nuclear reactor project could set the stage for reopening normalization talks between Japan and North Korea.

Kono told a House of Representatives Security Committee session that Japan's technology might be sought as the international assistance to North Korea to install light-water nuclear reactors progresses.

In the course of events, "direct and indirect relationships" could develop out of the possible supply of the Japanese technology, he said.

North Korea will receive financial and technological aid from a U.S.-coordinated international consortium to replace its graphite-moderated nuclear reactors with light-water types.

Japan is expected to provide a considerable amount of funds to the consortium, the Korean Energy Development Organization.

Bilateral rapprochement talks broke down in 1992 over a dispute concerning an alleged abduction of a Japanese woman by North Korean agents.

During the same committee session Friday, a senior Foreign Ministry official said the grip on power of North Korea's de facto leader Kim Chong-il is solid.

"North Korea is moving firmly in the direction of Kim Chong-il's succession" to his late father Kim Il-song, said Yutaka Kawashima, who heads the ministry's Asian Affairs Bureau.

Kawashima pointed to the U.S.-North Korea nuclear agreement last October after the death of Kim Il-song in July and subsequent decisions by Pyongyang based on the pact as indicators of the younger Kim's firm power base.

Kim Chong-il has not yet assumed the posts of state president or general secretary of the Workers Party of Korea, left vacant by his father's death.

Murayama Under Fire; Some Urge Resignation

OW1702090195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Feb 95 Morning Edition p 2

[FBIS Translated Text] A month has passed since the Hanshin earthquake—Prime Minister Tomiichi Murayama has been having a hard time throughout this period trying to cope with questions about his political leadership. While the Diet is expected to pass the 1995 budget bill within this fiscal year without trouble, the government's slow response to the quake is being criticized. Opposition parties intend to call for Murayama's resignation when the government finalizes its quake-relief policies. Coalition parties are in discord over such issues as reform of government-affiliated corporations and the direction of quake relief policies, and the coalition government's very foundation will be threatened if Murayama handles the frictions inadequately. Moreover, the Social Democratic Party of Japan [SDPJ] led by Murayama is still in confusion over separatist members' moves to found a new party. For Murayama the "next month" will be even more difficult to deal with since the fate of his administration will probably be determined in that period.

On 15 February, Murayama had lunch with his close associates, including Assistant to the Prime Minister Hidenao Nakagawa. Deputy Chief Cabinet Secretary Hiroyuki Sonoda introduced the results of a recent opinion poll conducted in the quake-damaged areas. According to Sonoda, many respondents noted their frustration with the lack of help from the government during the early stages, but not many of them said Murayama should resign to take responsibility. Sonoda said over 66 percent of those surveyed answered that Murayama's resignation is unnecessary. In response, Murayama said, "what we have to do is to steadily promote policies for reconstruction of the affected areas."

Late in January, speculators said "Murayama is so tired of dealing with the quake aftermath, he might quit at anytime." The rumor made Murayama's aides really nervous. A close associate of Murayama said "the prime minister was really in distress" over the death of more than 5,000 people and severe criticism from the opposition. But it appears Murayama is recovering his energy as the government's quake relief measures get underway. Murayama's aides now say "the rumor of his resignation is groundless."

However, the Liberal Democratic Party [LDP] and Sakigake [Harbinger] are in discord over policies for reform of government-affiliated special corporations. As friction between coalition members becomes obvious, the public are questioning Murayama's leadership. Also, the three coalition parties are having difficulties in agreeing on quake relief policies.

On 16 February, the LDP showed disapproval of the government's quake relief proposal.

The government's "Hanshin-Awaji Reconstruction Law" bill is expected to be submitted to the Diet on 17 February; however, the name of the bill was suddenly changed to the "Law on Policies and Organizations for Reconstruction of the Hanshin-Awaji Area" due to pressure from the LDP. In a meeting on the morning of 16 February, LDP lawmakers noted the establishment of a countermeasures task force is the only eye catcher in the bill. Attendants said "the bill should not be called the reconstruction law because it does not include tangible relief measures." It took all day to obtain LDP lawmakers' approval of the bill.

The LDP has been calling for "politician-led" quake aid, and LDP members candidly expressed their frustration with the lack of tangible relief measures in the bill. A top LDP official said "the 'Reconstruction Law' bill was given the exaggerated name at the request of Chief Cabinet Secretary Igarashi, but it is nothing more than legislation to provide a task force to work on countermeasures." Hereafter, the LDP may keep a certain distance from the prime minister's office over the quake relief policy.

While Murayama is currently busy with quake relief policy, he cannot ignore moves by the SDPJ separatist group New Democratic League. The SDPJ will certainly suffer defeats in nationwide local elections in April, and the pro-Murayama group is concerned that "the Yamahana-led separatist group may again try to leave the SDPJ after the elections." Murayama has been saying "intra-party struggles are not on my mind," but the present circumstances in the party will not allow him to maintain such an indifferent posture.

Editorial Assesses Murayama's Political Standing

OW1702024695 Tokyo ASAHI SHIMBUN in Japanese 16 Feb 95 Morning Edition p 5

[Editorial: "Politicians Urged To Renew Their True Political Spirit"]

[FBIS Translated Text] Prime Minister Tomiichi Murayama may be saying to himself "why did I become prime minister at this difficult time? It is a tough job." About one month has passed since the great Hanshin earthquake and the Murayama administration has been a target of severe criticism that "its reactions are too slow." Some people in political circles have begun to talk about the possibility that Murayama may resign soon.

What added fuel to the view that the prime minister is a "lame duck" was rivalry between the ruling and opposition parties over the issue of streamlining special public corporations and the poor outcome of attempting to review semiofficial institutions.

It was wrong, in the first place, to expect the coalition government, which was formed in a hurry, to control powerful bureaucratic structures. At least, the Murayama administration was highly spirited and promised to promote administrative reform. The prime minister stressed its "indomitable resolve."

Nevertheless, he was weak in tackling the issue of merging government-affiliated financial institutions, which was a focal point of the reform. We can think of the following reasons for the Murayama administration's weak posture on this issue:

In the Liberal Democratic Party [LDP], there are many influential members who aim to secure their political power by protecting bureaucratic interests. In particular, former Prime Minister Noboru Takeshita and Minister of International Trade and Industry Ryutaro Hashimoto gave strong support to the Ministry of Finance [MOF] during the recent review of government-affiliated financial institutions.

In contrast, Koichiro Kato, chairman of the LDP Policy Research Council, LDP Secretary General Yoshiro Mori, and others tried to demolish not only the MOF's resistance but also the "Takeshita myth," which is still deeply rooted in the political world. It was obvious that their intention was to regain power.

At this point, both of them begun to support Yohei Kono, deputy prime minister and foreign minister, for his reelection to the post of LDP president. In this sense, the recent issue of streamlining the financial institutions was the first act of a power struggle for the upcoming LDP presidential election, (slated to be held this fall), and a post-Murayama administration. However, Kono, who failed to unite the LDP, did not score a point.

So far, Sakigake [Harbinger Party] has played the role of guiding administrative reform. This invited resistance from the LDP. Some LDP members criticized Sakigake, saying: "Do not try to look smart all the time." After all, Finance Minister Masayoshi Takemura, who was caught between two posts—being Sakigake's head and finance minister—eventually gave priority to his post as finance minister.

On top of that, it turned out that Takemura acted in concert with Takeshita supporters in their political struggle within the LDP. Moreover, some people are saying that Takemura may succeed the Murayama administration. One way or other, Takemura is at the center of speculation.

Another reason why Prime Minister Murayama was unable to show his presence [sonzaikan] was that the SDPJ had trouble of its own.

Due to the earthquake, a temporary freeze was imposed on the movement by Sadao Yamahana and other SDPJ members to secede from the party. However, a gap between Yamahana and Murayama further weakened the fragile base of the prime minister. Murayama supporters are still unable to form a political group. Under such circumstances, other parties literally question the prime minister's base. Therefore, we cannot expect Murayama to make authoritative decisions, and, in consequence, the speculation about a post-Murayama administration continues to grow.

Since the inauguration of the Murayama administration, the three parties have been trying to meet each other halfway so as not to break down the coalition. Thus, some strain can be noted in the management of the administration. Due to this, the administration was able to pass many important bills, (regardless of whether their contents were good or bad), during the extraordinary Diet session last fall. However, seven and half months after its formation, we feel that each coalition party and faction has begun to act selfishly.

It is no easy task to deal with the disasters caused by the earthquake. However, the Murayama administration should make clear-cut decisions on administrative reform, including the prolonged issue of government-affiliated financial institutions. The Murayama administration should also squarely buckle down to the primary political tasks that are currently required.

On the other hand, it is the opposition parties' duty to create dissent through their drive to recapture political power. However, the opposition failed to drive the government out or to convince the people during the course of the daily Diet debates.

Moreover, it was disclosed that Dietman Toshio Yamaguchi, who had friendly relations with a director of a financially troubled credit union, had received large loans from the same credit union. Yamaguchi eventually resigned from his post as acting secretary general of the New Frontier Party [NFP]. Rumor has it that other senior members of the NFP are also involved in the loan scandal. Yamaguchi's involvement is diminishing the party spirit. We have no more to say about it.

It is time for politicians to renew their true political spirit.

Kaifu Criticizes Murayama's Response to Quake

OW1702064795 Tokyo KYODO in English 0631 GMT 17 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 KYODO—Opposition leader Toshiki Kaifu on Friday [17 February] blasted Prime Minister Tomiichi Murayama for his supposed ineptitude in dealing with the aftermath of the Jan. 17 massive earthquake in western Japan.

"He should feel responsible for his refusal to listen to our recommendations and advice during the initial stage," Kaifu, the leader of Shinshinto (New Frontier Party), said at a press luncheon.

Kaifu, a former prime minister, charged that the Murayama government could have responded to the disaster quicker and more effectively, because he told the premier of the need for a better crisis management system shortly after a big quake jolted an extensive area in northern Japan.

"Mr. Murayama could have dealt better with the quake if he had made sufficient preparations beforehand," Kaifu asserted.

As the chief of Shinshinto, the result of a merger of major noncommunist opposition forces last December, Kaifu also launched an onslaught against Murayama, pinpointing the ruling coalition parties' failure last week to strike a deal on a comprehensive review of publicly funded corporations.

The coalition drew up a watered-down program Saturday for abolishing or realigning special public corporations, postponing a final decision on proposed streamlining of government-affiliated financial institutions.

Murayama, who leads the three-way coalition government, has placed top priority on administrative reform aimed at cutting red tape, vowing to review special public corporations by March 31.

Portraying the postponement as a "breach of the pledge to the public," Kaifu said Shinshinto is ready to replace the current coalition government if the Murayama administration fails to keep its promise to draft a five-year deregulatory program by the end of March.

On a proposed antiwar resolution by the Diet, Kaifu spoke of the need for Japan to make clear its stance of never again waging war as this year marks the 50th anniversary of the end of World War II.

He maintained it is not a resolution calling on Japan to apologize to the rest of the world for its wartime actions and it will not restrict the nation's right of self-defense.

Kaifu also expressed determination to topple the present government by winning the next house of representatives election to be contested under a new polling system, possibly by the end of this year.

The three ruling parties—Murayama's Social Democratic Party [of Japan], the Conservative Liberal Democratic Party and New Party Sakigake—formed the current government without sharing any political ideals, he noted.

"As for Shinshinto, we aim to win enough seats in the election to take the reins of government," he said. "That's our first goal."

* Critics Evaluate Political Leaders

952B0095A Tokyo SHOKUN in Japanese Feb 95 pp 26-38

["Discussion" by Takeshi Umehara, head of Japanese Culture International Research Center, Shigezo Hayasaka, political commentator: "Call for 'Radical' Leader"; place and date not given]

[FBIS Translated Text] [Passage omitted] [Hayasaka] Looking at Japanese leaders today, I am concerned that there is an increased number of politicians, who are gutless and incompetent, although serious and good intentioned. They are well-behaved, well-educated, and equally talented. This is typical of second- and third-generation politicians.

[Umehara] I am most concerned about that too.

[Hayasaka] The situation is the same in the economic world. There is an overwhelming number of company presidents, who are not self-made, but are intelligent, well-educated men on the payroll, who do not hold company shares. These men have few enemies but lack decisiveness and action, resembling germless distilled water. Above all, they are gutless.

[Umehara] Scholars are mostly of this type. Consequently, they lack new ideas.

[Hayasaka] We have a glut of small-talented men.

[Umehara] These men were largely raised by wise, but overly education-minded mothers. They follow their mothers' wishes and have never learned to fight.

[Hayasaka] Not even having to suffer over women. (laughter)

[Umehara] That is rather significant. Not that we have to follow Hikaru Genji [hero of *The Tale of Genji*], but it is important for a man to fall in love, to go through difficulties of whether to join or to part with the woman he loves. But today we have an increased number of men of honor, who have no such experiences but who live by rules set by others.

[Hayasaka] For instance, if the Murayama administration falls today, the Liberal Democratic Party [LDP], having 200 diet seats, as opposed to 72 by the Social Democratic Party of Japan [SDPJ], should have LDP President Kono as the next prime minister. However, there is no sign that the LDP members will support Kono unanimously, because Kono is too much of a "nice fellow." I have come to believe that all that Kono wants is to be liked and to be praised, not to be criticized or blamed by others. But can a leader like Kono accomplish anything?

[Umehara] A leader needs to get into the mud himself.

[Hayasaka] That is a must for a leader. He needs to be in the front to take on assaults. If I may say so, according to my observation, President Kono definitely lacks this quality. If Mr. Murayama loses power, I don't think we can trust Kono with our country.

[Umehara] Among previous self-made LDP leaders, there existed an animal spirit, called "esprits animaux."

[Hayasaka] Such leaders behaved badly, liked to drink, and loved women. But once there were crises concerning their organizations, groups or nation, they turned into dependable leaders. They stood in the forefront and decided a course of action based on their own experiences and instincts. They might ask for opinions from their aides, but only to confirm their own instincts. If things should turn for the worse, they wouldn't mind doing the dirty work, taking all responsibilities. Mr. Kakuei Tanaka was one of such leaders. He was a true leader. But, nowadays, leaders like him have disappeared altogether. [passage omitted]

[Umehara] Now, when a leader wants to do something, he will surely be criticized. The more revolutionary his action, the more severe the criticism. However, a leader should not give in. He needs to endure solitude and take all the responsibility.

[Hayasaka] Everything depends on whether the leader can take the torment of loneliness. Isn't it?

[Umehara] A well-liked fellow cannot take the solitude needed to make ultimate decisions. I feel Mr. Miyazawa was somewhat like that when he had to make many decisions during the final stage of LDP power, which had lasted for 38 years.

[Hayasaka] It was Mr. Miyazawa's indecision, which ended the LDP's autocracy, making him the 15th general Yoshinobu of the Tokugawa shogunate. During April-May 1993, if Miyazawa had the determination to pave the way for a 500 single-seat electoral system and then resigned, asking Gotoda to take care of the rest, the LDP could have remained in power, although the state of things could have been chaotic. However, 70 percent of the LDP members were against the single-seat system, headed by Seiroku Kajiyama, who was the secretary general at the time, and who was backed by elders under Nakasone. Miyazawa was, in the end, unable to make a decision.

[Umehara] He never had the chance to show determination, before being dragged down from power.

[Hayasaka] Although, on the TV screen, he repeatedly promised to do what was needed to be done, he never did anything. He was, after all, unable to make solitary decisions.

[Umehara] Perhaps, he revealed the worst aspects of elite-type politicians. Moreover, he had no premonition of crisis.

[Hayasaka] He does not have the guts to stand up to do the dirty work either. Even if 70 percent of the LDP opposed it, the mass media and the public supported the single-seat system. But Miyazawa failed to judge the situation correctly. If he had decided on the single-seat system, then resigned and appointed Gotoda to succeed him, his move could have been considered a checkmate.

Ichiro Ozawa Lost His Adolescence

[Umehara] During the LDP crisis, only Ichiro Ozawa had determination to get things done. As far as determination is concerned, Mr. Ozawa must be a rare leader in the current political situation. What do you think?

[Hayasaka] You wrote in the TOKYO SHIMBUN, saying that it would be good if Ozawa could understand the world of Kenji Miyazawa [1896-1933, poet, writer of children's stories].

[Umehara] You see, Mr. Ozawa's hometown, Mizusawa, is close to Hanamaki, where Kenji Miyazawa was born. When I lectured at Furukawa, near Mizusawa, I said: "Mr. Ozawa has a very good sense as a politician. I think he can make decisions and is competent. However, I would like him to understand the thoughts expressed by Kenji Miyazawa. If Mr. Ozawa reads and understands Kenji Miyazawa's ideals and applies them to his politics, Mr. Ozawa could become a wonderful politician. But on the other hand, if he cannot, then he will become a second Kanemaru."

[Hayasaka] I heard that the audience applauded your remarks, because Mr. Ozawa is considered to be a power-struggle-minded politician.

[Umehara] I once met with Mr. Ozawa to ask him for a favor on environmental problems. After the meeting, a phrase came to my mind—"enfant terrible"

[Hayasaka] You mean from Jean Cocteau's book?

[Umehara] Yes. From his book *Les Enfants Terribles* (The Holy Terrors). Maybe Mr. Ozawa has missed out on his adolescence. It seems that at a certain stage of his growth, he reached an unusually high level of political competence, but this has cost him in other aspects of human development.

[Hayasaka] It is meaningful that you described Mr. Ozawa with the words "enfant terrible." When the Takeshita cabinet started in November 1987, Ozawa served as the deputy chief cabinet secretary under Chief Cabinet Secretary Obuchi. Because Ozawa had previously served as home affairs minister, it was sort of a demotion, but Takeshita used him as deputy chief cabinet secretary to handle four major tasks; namely, to conclude the liberation of beef and orange markets which the former Prime Minister Nakasone initiated; to allow U.S. construction firms to bid on the new Kansai airport; to negotiate the issue of Motorola cellular phones; and to determine the FSX selection. Prime Minister Takeshita gave Ozawa total authority to handle these difficult issues. Of course, Mr. Takeshita had carefully laid the groundwork for Mr. Ozawa's actions. Ozawa successfully took care of these difficult tasks and quietly returned to Japan on New Year's eve. At that time, Japan's mass media did not appraise Ozawa's work highly. Later, when I talked to Takeshita and said: "Prime Minister, Ozawa did a splendid job, didn't he?" He said: "He is a tough negotiator. In terms of sumo, he can push and pull, kick, and do all sorts of body tricks." "Moreover, he studied law and has a legal mind. If he is given the complete book of the Six Major Laws, he can draft government bills overnight. Furthermore, he has guts."

[Umehara] That's a very high score for Ozawa.

[Hayasaka] I questioned Takeshita: "But Ozawa must have some shortcomings too." Takeshita immediately replied: "He has strong likes and dislikes for others. He is too particular about choosing people. It will be difficult for him to become a group leader." I thought this was a "compact" evaluation of Ozawa, which stands valid today.

[Umehara] Mr. Ozawa must be awkward when handling human relations.

[Hayasaka] He really is unskillful. It shows, because his close friends are leaving him one by one.

[Umehara] I feel that Mr. Ozawa basically lacks love for his fellow man. Because he is unskillful in human relations, he relies solely on power and money to mobilize other people. If he continues this way in dealing with others, I think he will become isolated.

[Hayasaka] In dealing with people, Mr. Tanaka was skillful. For instance, when someone visited him, he would immediately understand why the visitor came at that given time. Because he understood people well, he knew what they wanted of him. And when visitors went to see him at his office in Mejiro, he would first say: "Have you eaten?" Since no one is so poor nowadays that he could not afford to eat, I would say to Tanaka: "You don't need to worry about that. Everybody can afford his own meals." Tanaka would laugh happily and say: "It doesn't matter," and continues asking visitors: "Have you eaten?" What Ozawa lacks is this kind of personal feeling.

The Art of Winning the Hearts of the People as Did Hayato Ikeda, Kakuei Tanaka

[Umehara] In the past, I also did not know how to deal with other people, but I trained myself and improved my skills after becaming college president. I believe Mr. Ozawa has not been trained to get along with others since childhood. That is why his friends leave him. He will end up taking a lonely journey in a negative way.

[Hayasaka] He is the one who crushed the LDP autocracy which ushered in an era of coalition governments. He did have excellent foresight in seeing the end of the 1955 regime, after the passing of the Cold War.

[Umehara] It is true.

[Hayasaka] Although there may be various criticism over the contents of his *Blueprint for Building a New Japan*, he is the only person who has presented a guideline for managing a nation after the Cold War. I suppose people tend to object to something they do not understand or to someone who speaks loudly about justice. Moreover, in such people there is an element of jealousy. Furthermore, Ozawa's words and actions were often offensive....

[Umehara] I don't necessarily think Ozawa became isolated because of his ideas.... If he wants his ideas understood, he needs to build up trust and to persuade others individually to win them to his side. Perhaps he has neglected these things.

[Hayasaka] He needs to do these things, because Japan is a "bottom up" [consensus building] nation.

Umewhara: I think Mr. Ozawa only sees the political world, but lacks a deep understanding of his fellow men.

[Hayasaka] For instance, a press conference is a very important political activity, where a politician can spread his ideas through the media. Prime Ministers Hayato Ikeda and Kakuei Tanaka did an excellent job in relating to reporters. When I first started as a newspaper reporter, I commuted to Mr. Ikeda's private residence in Shinano-cho. Many of us reporters sat comfortably in a big room, and when Mr. Ikeda showed up wearing a robe, he often put down a big bottle of wine, saying: "Are you guys here again?"

[Umehara] (laughter)

[Hayasaka] He would sit with his legs crossed, wearing a loincloth, allowing us to unintentionally see his loincloth. (laughter) He would order someone to bring him a Nikkei newspaper, pointing to the stock price of Nissan Motors in the stock column and saying: "Right now, the price for Nissan is only this, but in 30 years, Japanese cars will be on equal grounds with the Big Three. I will tell you why?" He would then enthusiastically explain in detail the "income-doubling program." Mr. Ikeda treated us like his equals. It was not easy to convince the public what the "income-doubling program" was about, and he knew that he needed to first convince the reporters, who gathered around him. When I asked: "How can we know anything 30 years from now?" He said: "It is not impossible to predict the future." Then he would start all over, explaining his beliefs. His explanation was both kind and thorough, and his attitude was splendid. At that time, I was slightly influenced by leftist thoughts, but by the end of my commuting to Mr. Ikeda's residence for a year, I believe I made a complete conversion to the right.

[Umehara] Really?

[Hayasaka] On the other hand, Tanaka did not discriminate against any reporters. He treated reporters of top-rated, well-read national papers as well as not so well-read local papers equally. He once said to the reporters of the local papers: "Don't be too modest, even though your papers have small circulation. You are reporters, just the same. Come sit right in the middle."

[Umehara] He said that?

[Hayasaka] He used to say to me: "Newspaper reporters are just like vipers.' They will not change their nature no matter how well you treat them. But it is your fault, if they bite you. You have to open your heart to them, if you want them to come to you." Tanaka was severely criticized by the media, but there were very few reporters, who harbored hostile feelings against him. Compared with Tanaka and Ikeda, Ozawa's dealings with the reporters are unbelievably tactless. When reporters approached him to hear his views, Ozawa often hushed them. Naturally, no reporter wants to interview him, although lately Ozawa seems to have reflected on this and has changed his attitude. If he had not changed his attitude, he would have only increased his enemies and would have become more isolated. Even those who have shared his missions and have worked together are leaving him one by one. To Ozawa, a person is either a friend or an enemy.

[Umehara] That is wrong.

Tragedy for Japan's Politics—Only Takeshita and Ozawa Are Key Players

[Hayasaka] There are only two extremes and no in-betweens in Japan's politics. I do my best to explain the theory of a united front, but it has been to no avail, because current politics concentrate on power struggles.

[Umehara] It is best for a person to have few allies or enemies. I wonder if Mr. Ozawa has a kind of phobia against people? He does not know how to handle people, thus, he uses money and positions to mobilize people.

[Hayasaka] In the past, Kakuei Tanaka supported him and covered up for his inadequacy when dealing with people. After Tanaka's downfall, Kanemaru and Takeshita continued to help him. Ozawa did single-handedly overturn the LDP regime and created the Hosokawa administration. After that, he has made successive mistakes.

[Umehara] In a sense, it is incredible that he still survives after having made so many mistakes. I guess Japan today suffers from severe shortage of capable leaders.

[Hayasaka] That is the tragedy of Japan's politics. Takeshita is in fact the policymaker for the coalition government on tax reform and other issues. However, Takeshita is in a position where he has to stay behind the scenes. The other leader, Ozawa, is full of shortcomings. What remains, therefore, are mostly those well-behaved politicians. I think Japan will have a difficult future.

[Umehara] I think so too. I have had a long life and would like to spend the rest of my life living like a monk, but Japan is faced with many tasks, requiring politicians to undertake those tasks and move forward. I have done research on Fuhito Fujiwara (659-720, a court noble during the early Nara period), who was the wisest and the most revolutionary politician in Japan's history. I feel that no politician in today's Japan can compare to Fujiwara at all.

[Hayasaka] If the situation remains like this, Japan's future will look gloomy. If we cannot have Fuhito Fujiwara today, at least we need radical leaders with tremendous energy, such as Kakuei Tanaka or Shinsuke Kishi to lead Japan.

NFP, Komeito Withhold Support for Ishihara

OW1702003495 Tokyo KYODO in English 0000 GMT 16 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 KYODO—Two key partners in the six-party ruling coalition in the Tokyo Metropolitan Assembly have decided not to support deputy government spokesman Nobuo Ishihara as a candidate for the capital's gubernatorial election in April.

A senior official of the Buddhist-based Komei party indicated late Thursday [16 February] night his party will join Shinshinto (New Frontier Party) [NFP] in opposing the proposed choice of Ishihara as a coalition candidate.

The Liberal Democratic Party (LDP), a dominant coalition partner, decided Thursday to recommend the deputy chief cabinet secretary as a coalition candidate. But Shinshinto opposed the LDP move later in the day.

The Komei official, who asked not to be identified, said the party will propose at a meeting of the coalition partners Friday that they "start with a clean slate" in choosing a candidate.

"We are uncertain if we can win the election with Mr. Ishihara because many voters who don't support any particular party are expected to give support to widely known independent candidates," he added.

Among the independents who have announced their running in the poll is the businessman-turned mayor of Izumo, Tetsundo Iwakuni.

Possible alternative candidates to Ishihara include former Labor Minister Kunio Hatoyama, backed by Shinshinto, political sources said.

JCP's Miyamoto Holds Press Conference

OW1702080395 Tokyo KYODO in English 0722 GMT 17 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 KYODO—The long-standing head of the opposition Japanese Communist Party (JCP), Kenji Miyamoto, on Friday [17 February] appeared before the press for the first time following a monthlong hospitalization last summer.

Miyamoto, 86, chairman of the JCP Central Committee, declared the opening of a committee assembly at the party's Tokyo headquarters and delivered a 15-minute speech.

Miyamoto entered a Tokyo hospital in late June last year due to a temporal stroke stemming from ischemia.

Despite his absence from a party congress last July, he was reelected to the top post he has held since 1982.

In Friday's meeting, Miyamoto criticized the coalition government of Prime Minister Tomiichi Murayama for an alleged lack of remorse over the government's dealings following the Jan. 17 Great Hanshin Earthquake.

Miyamoto also said that the declining circulation of the party's official paper, AKAHATA (RED FLAG), was a matter needing urgent consideration, adding it indicates the party is becoming estranged from the public.

The number of subscribers has slipped to 2.5 million from [figure indistinct] million four years ago, according to a report submitted to the party's congress.

More Reports on Reform of Public Corporations

Takemura on Bank Mergers

OW1702055995 Tokyo NHK General Television Network in Japanese 0300 GMT 17 Feb 95

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] Finance Minister Masayoshi Takemura reiterated at a news conference held after the cabinet meeting today that, with regard to the merger of government-affiliated banking institutions, the proposal to merge the Japan Development Bank [JDB] and the Hokkaido-Tohoku Development Finance Corporation [HTDFC] is most desirable.

Takemura commented on a suggestion from some ruling party members in connection with the reorganization of government banks that the functions of the Export-Import Bank be split and reassigned to the JDB and the Overseas Cooperation Fund. He said such a plan would only lead to a further expansion of the JDB's organizational structure and duties, showing a negative attitude.

Takemura further said that there is no change in his position on the merger of government banks, and that he believes the best formula is the proposal compiled by the Finance Ministry last weekend on the merger of the JDB and HTDFC, and the merger of the People's Finance Corporation, the Small Business Finance Corporation, and the Environmental Sanitation Business Financing Corporation.

Curb on Employees Urged

OW1702103895 Tokyo KYODO in English 1003 GMT 17 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 KYODO—A special task force within Japan's governing coalition to tackle administrative reform on Friday [17 February] proposed curbing the growth in numbers of people working for publicly funded affiliates.

In recommendations submitted to the cabinet, the coalition project team said, "The total number of staff of special public corporations should be held in check in line with the numerical limit on government workers."

The ruling party panel also suggested that a body be set up under the control of the cabinet or the Management and Coordination Agency to discuss possible employment problems expected to arise from the streamlining of government firms.

Administrative reform through abolishing or merging special public companies is the top priority policy task of Prime Minister Tomiichi Murayama's government.

The coalition parties announced a reform program last week to cut government-financed firms, but postponed making a final decision on the handling of publicly funded financial corporations.

Completion Goal of 3 Years

OW1702015995 Tokyo KYODO in English 0119 GMT 17 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 KYODO—The government aims to complete the proposed streamlining of publicly funded corporations within three years, according to a draft cabinet policy obtained Friday [17 February] by KYODO NEWS SERVICE.

The draft policy, to be approved during a cabinet meeting next Tuesday, says that the proposed merger, abolition or privatization of the so-called special corporations should be carried out "within three years in principle."

The government, which has vowed to axe 10 percent of the corporations as part of administrative reforms, has agreed to reorganize 18 of the 92 government-financed corporations.

The 18 corporations consist of 14 to be amalgamated, including the merger of Maritime Credit Corp. and the Railway Development Fund, one to be abolished, the Social Development Research Institute, and three to be privatized, including Teito Rapid Transit Authority that runs the capital's subway network.

The draft policy says the government will promote giving information to the public on the financial conditions of the public corporations to improve their management and to secure transparency in management.

It also says the government will set up a headquarters inside the cabinet to cope with the employment problem of corporation workers who would lose their jobs through the streamlining.

Regarding the reform of government-affiliated financial institutions, such as the Export-Import Bank of Japan, the draft only says that the government will "continue studying" the matter.

The tripartite ruling coalition has yet to reach a final agreement on the reduction of the publicly funded financial institutions.

Murayama Renews Resolve To Rebuild Kobe Area

OW1702140395 Tokyo KYODO in English 1313 GMT 17 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 KYODO—One month after the Jan. 17 earthquake in western Japan, Prime Minister Tomiichi Murayama renewed his determination Friday [17 February] to take the lead in helping restore the stricken area and getting life back to normal.

At a meeting of the government's special task force on emergency quake relief operations, the premier offered condolences anew to the nearly 5,400 people killed in the temblor and explained his efforts to assist in reconstruction of the devastated area that centers on the port city of Kobe.

He also proclaimed the need for comprehensive restoration measures, saying he will commit himself to pushing for rebuilding efforts with the help of his advisory panel on the quake.

"To help the residents (of the Kobe area) strive for the restoration of their lives and the economy with bright prospects for the future, it is necessary to take overall steps urgently," Murayama said.

At its extraordinary meeting later, the Murayama cabinet approved an outline of a 1.02 trillion yen second supplementary budget for fiscal 1994 calling for urgent measures to restore Kobe and its vicinity.

The cabinet will give the final go-ahead to the extra budget Feb. 24. The program will be immediately submitted to the Diet and is expected to be acted upon by the end of this month.

Murayama has been under fire for his reportedly flawed handling of the aftermath of the Great Hanshin Earthquake.

The Great Hanshin Earthquake, Japan's worst in 72 years, claimed nearly 5,400 lives and left some 240,000 people homeless.

The extra budget is intended to help finance emergency quake relief work worth about 3 trillion yen—1.2 trillion yen for projects and 1.8 trillion yen in loans.

Earlier Friday, the Diet unanimously passed three bills aimed at supporting reconstruction efforts by quake survivors through special tax deductions, income tax cuts, tariff reductions and other measures.

In a related move, the government also decided Friday to launch a new system to gather information about major earthquakes and other natural disasters as quickly as possible.

Chief Cabinet Secretary Kozo Igarashi said the system's establishment is based on the government's failure to quickly and effectively grasp the scale of damage caused by the latest quake.

"We decided to immediately do what we can in dealing with emergencies at initial stages, among other things, by reorganizing the current system," the top government spokesman said at a news conference.

The system, to be formally launched after obtaining cabinet approval Tuesday, calls for the use of helicopters in the event of major temblors to help the prime minister obtain first-hand information easily.

Officials in charge of responding to natural disasters will also be stationed round-the-clock at the Cabinet Information Research Center.

The government will provide training under the refurbished information-gathering system possibly by the end of this month, a senior cabinet official told reporters.

MITI: New Aid Package for Quake-Hit Firms

OW1702133095 Tokyo KYODO in English 1240 GMT 17 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 KYODO—The Ministry of International Trade and Industry (MITI) on Friday [17 February] released a new relief package for companies victimized by the Jan. 17 Great Hanshin Earthquake, including a 25 billion yen loan program.

The 25 billion yen loans by the Japan Development Bank will be extended for rehabilitation of three spheres which have an important role in returning corporate activity to normalcy—life-related infrastructure, economic infrastructure and utility-related lifeline facilities, MITI said.

Budgetary appropriation for the package has been secured under the second supplementary national budget for fiscal 1994, which was approved by the extraordinary cabinet meeting Friday evening.

MITI unveiled a 60 billion yen aid package for quake-damaged small companies last week, which is also included in the extra budget.

Under the latest loan program, reconstruction of livelihood infrastructure will cover distribution networks and large-scale retailers handling perishables, while economic infrastructure programs are targeted at companies which are struggling following the devastation of business operations by their subcontractors after the quake, MITI said.

Interest on loans for the first two types of reconstruction will be a very low 4.65 percent per annum, which is equal to that charged on public funds extended to government-affiliated financial institutions through the Finance Ministry's Trust Fund Bureau.

The special rate, effective for applications received until July 31 this year, will be revised from the sixth year to the long-term prime lending rate, now standing at 4.9 percent, or preferential rates under the existing framework that now range from 4.75 percent to 4.85 percent.

The period of the loans is 35 years, including a five-year grace period, compared with 10 to 15 years plus a grace period of three years at present.

Interest on the third type of loan will be 3.75 percent for emergency programs such as power and gas supply systems and 4.25 percent for less urgent needs like repairing damaged utility facilities, MITI said.

These rates will be revised from the sixth year to either of two existing preferential rates that now stand at 4.8 percent and 4.85 percent.

The same repayment conditions will be applied to this third type of loans, MITI said.

The latest package also includes 4.2 billion yen in government subsidies for resuming industrial water supply in Hyogo Prefecture and other areas affected by the earthquake.

The subsidies will finance 80 percent of water supply rehabilitation work in the prefecture, hardest hit by the quake, and 45 percent in other eligible areas.

As assistance at the 80 percent level goes beyond the current legal framework, a new law will be created to cover the aid to the prefecture, MITI said.

Medium-Term Deficit Bonds Considered for Relief

OW1702123995 Tokyo KYODO in English 1219 GMT 17 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 KYODO—Finance Minister Masayoshi Takemura said Friday [17 February] the government is considering issuing medium-term deficit-covering bonds in a second fiscal 1994 supplementary budget to finance emergency measures to restore quake-hit areas.

Takemura said at a news conference after an extraordinary cabinet meeting, "We will handle deficit-financing bonds with the term of two or four years in light of market needs."

Asked about a source of revenue to redeem the bonds, however, Takemura said only that the government will seriously study in the future how to share related expenses.

At the extraordinary cabinet meeting, the government approved an outline of a second extra budget worth 1.02 trillion yen for the current business year ending March 31, including 810.6 billion yen in deficit-covering bond issues and 779.4 billion yen in construction bonds.

Takemura, who previously resolved to avoid the issuance of deficit-covering bonds, said there was no other option to cover spending for quake measures, for which construction bonds cannot be used.

Regarding revenues for bond redemption, he reiterated, "We will earnestly consider all possible means."

While saying remaining quake measures should be covered in a fiscal 1995 supplementary budget, Takemura avoided specific comments on grounds that the initial fiscal 1995 budget plan is still under deliberation.

Agency Estimates Quake Cost 9.6 Trillion Yen

OW1602133195 Tokyo KYODO in English 1244 GMT 16 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO—Damage from the Jan. 17 great Hanshin earthquake which leveled much of Kobe and nearby areas cost roughly 9.6 trillion yen, the National Land Agency said Thursday [16 February].

It is the first time the government has issued an estimate of the damage from the quake.

The estimate includes 6.3 trillion yen for homes, shops, factories and other buildings, 2.2 trillion yen for roads, railways, harbor facilities and other transport infrastructure, 600 billion yen for gas, electricity, water and communications links, and 500 billion yen for agriculture, waterways, educational and other facilities.

Hyogo Prefectural authorities have estimated the damage at some 9.96 trillion yen.

'At Least' 249 Foreigners Said Killed by Quake

OW1702034795 Tokyo KYODO in English 0155 GMT 17 Feb 95

[FBIS Transcribed Text] Kobe, Feb. 17 KYODO—At least 249 foreign residents from 11 countries were killed by the devastating earthquake last month in western Japan, the Hyogo Prefectural Government estimated Friday [17 February].

The estimate, based on data from police, hospitals and other sources, includes 41 people whose nationalities are not known, officials said.

Among the victims were 149 Koreans—from both North and South Korea—and 46 Chinese. The other foreign victims were believed to be from Algeria, Australia, Brazil, Myanmar [Burma], Peru, the Philippines, Switzerland and the United States.

More than 99,000 foreigners from about 100 countries live in the prefecture as registered residents, but there are believed to be thousands of unregistered foreigners, many of whom have overstayed their visas.

"It's impossible to grasp the number of those (unregistered) foreigners who may have been killed by the quake," an Osaka Immigration Bureau official said.

Quake victims are entitled to condolence money of up to 5 million yen paid by the central government, irrespective of their nationalities, but the official said it would be "difficult" to pay such money to those staying illegally.

The death toll from the Jan. 17 quake stands at 5,378 with two people still missing, making it Japan's worst postwar quake. More than 210,000 people made homeless by the temblor are still living in schools and other public buildings.

Komura: Economic Growth Not Affected by Quake

OW1602141195 Tokyo KYODO in English 1322 GMT 16 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO—Economic Planning Agency chief Masahiko Komura denied Thursday [16 February] that the effects of the great Hanshin earthquake will derail government efforts to achieve economic growth of 2.8 percent in fiscal 1995, which starts in April.

"Without question, the quake will continue to have a serious impact on the nation's production and distribution for the time being, but some parts of the damaged facilities have already returned to normal conditions," the nation's top economic planner told a Diet session.

"Therefore, I refuse to come to the hasty conclusion that the quake has scuttled the government's economic growth projection for fiscal 1995 of 2.8 percent," he said at the House of Representatives budget committee in response to a question from legislator Banri Kaieda from the New Democratic Club.

Komura said it will be difficult to calculate the size of long-term economic losses stemming from the quake's effects by an immediate deadline of Feb. 24.

On that day, the government plans to submit a bill for a second supplementary budget for fiscal 1994 that will include outlays to cover immediate needs for the ravaged areas and displaced people.

Meanwhile, the National Land Agency reported it has estimated quake-induced damage at 9.6 trillion yen and that this represents 0.8 percent of the aggregate value of the Japanese people's overall nonland fixed properties, such as houses and factories.

The agency said the figure was calculated on the basis of its estimate that Japan's net fixed assets including houses, plants, machinery, roads, railroads and running water facilities stand at 1,141.49 trillion yen.

The fixed assets account for about one-sixth of Japan's aggregate assets worth 6,981 trillion yen that cover both tangible assets, like houses and land, and intangible assets like stocks and other financial properties.

Agency officials said the 0.8 percent figure compares with 10.5 percent for the estimated damage from the 1923 great Kanto earthquake and 25.4 percent for the domestic damage inflicted by World War II and 1.9 percent for the 1959 Isewan typhoon that swept through central Japan.

In a related development, the Ministry of International Trade and Industry said it estimated at 2.96 trillion yen the damage inflicted on the manufacturing and service industries under the ministry's jurisdiction.

Breaking down the figure, the ministry said large business corporations suffered a total of 1.04 trillion yen in damage, while their medium and small counterparts incurred even larger losses worth 1.92 trillion yen.

In the public utility sector, Osaka Gas Co., whose pipelines were severed at many points, suffered 190 billion yen in damage, while Kansai Electric Power Co. suffered damage worth 230 billion yen.

Manufacturers like Kobe Steel Ltd., Kawasaki Steel Corp. and Sumitomo Rubber Industries Ltd. suffered a total of 200 billion yen, while distributors like Daiei Inc. and Sogo Co. had damage of 420 billion yen, it said.

Takemura on Financially Troubled Credit Unions

OW1702061495 Tokyo KYODO in English 0504 GMT 17 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 KYODO—Finance Minister Masayoshi Takemura said Friday [17 February] it is desirable to disclose as much information as possible about two financially troubled credit unions.

Takemura made the comments at a press conference after a regular cabinet meeting, saying there were both positive and cautious views among cabinet members about a request by the Diet to submit more data on Tokyo Kyowa Credit Association and Anzen Credit Bank.

The Tokyo metropolitan government already presented the Diet a list of unnamed large-lot depositors at the two credit banks, as well as reports on their management and given instructions, but the Diet is asking for further materials such as named large-lot depositors and borrowers.

"In times of information disclosure, I want to take a course of presenting as much data as possible because of the great concern about the issue," Takemura said.

Takemura added, however, a decision depends on the Tokyo Metropolitan Government and there are such problems as privacy and civil servants' duty to protect privileged information.

While saying his ministry cannot alone make judgment, Takemura called for a solid government policy on information disclosure.

Takemura backed calls to strengthen functions of Deposit Insurance Corp. to prevent cases of credit unions' chaotic management like at Tokyo Kyowa and Anzen.

Regarding reports that some of the ruling coalition parties want a conclusion on reorganization of government-linked corporations by the end of February, Takemura expressed doubts about their specific outlook.

Asked about a reported proposal to divide the Export-Import Bank of Japan, to be absorbed by Japan Development Bank and the Overseas Economic Cooperation Fund (OECF), Takemura said, "I don't understand the grounds and reason for it."

"The Development Bank would get bigger...I wonder if loans by Ex- Im Bank and OECF will be mixed up," Takemura said.

While reminding that his ministry proposed two mergers of analogous government-backed financial institutions on Feb. 10, Takemura said it is necessary to see if there are any better ideas on realignment of public lenders.

Jiro Saito on Stock Prices, Credit Union Rescue

OW1602094295 Tokyo KYODO in English 0909 GMT 16 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO—Vice Finance Minister Jiro Saito said Thursday [16 February] it is necessary to watch stock price movements for a longer period.

"Although stock prices have recently stumbled, we should take a while to watch their development over the medium term," Saito said at a press conference.

Stock prices are sensitive to various factors, he said.

Asked about his ministry's responsibility for two financially troubled credit unions being dissolved into the publicly funded Tokyo Kyodou Bank, Saito said, "I'm not saying we have nothing to do with them, but we principally entrust the Tokyo Metropolitan Government with surveillance of them."

Saito said the ministry is of course considering how credit unions should be supervised from now on in considering the case of Tokyo Kyowa and Anzen credit unions.

The takeover of the two credit unions was the best possible solution, though it does not mean there are no problems, he said.

Major Trading Firms Moving Into Rice Market

OW1702120595 Tokyo KYODO in English 1140 GMT 17 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 KYODO—Big trading houses are taking advantage of deregulation of Japan's 4 trillion yen [Y] rice market to acquire equity stakes and marketing rights from rice wholesalers and retailers, industry sources said Friday [17 February].

A new law abolishing the need to get approval from the government to deal in rice will take effect in November, opening the way for trading houses to acquire a large share of the lucrative margins at various stages of distribution.

Marubeni Corp. was the first to enter this new field, the sources said.

Last October, Marubeni purchased the marketing right from Ichikawa Act Co., a rice wholesaler in Ebina, Kanagawa Prefecture. By taking over the wholesaler's personnel and other resources, Marubeni set up a new company, rice world, in Ebina in partnership with Katokichi Co., a major specialized frozen food maker based in Kagawa Prefecture.

The now-defunct Ichikawa Act, which suffered large losses as a result of an investment blunder, needed a lifeboat then. It posted sales of some 13 billion yen in the 1993 business year, by trading with such major restaurant operators as Skylark Co. and Denny's Japan Co.

A Marubeni official said, "The primary purpose of the acquisition was a bailout."

Itochu Corp., another leading trading house, acquired a 49 percent stake in the mid-sized Tokyo rice retailer Komekyu in January. Itochu plans to expand the supply network of Komekyu, previously a supplier mainly to various Tokyo-based restaurants, throughout the nation, the sources said.

Sumitomo Corp. joined in the business of the medium-sized rice retailer Ryohan, based in Sapporo, Hokkaido, by providing capital. A Sumitomo official said, "We want to start in the rice wholesale business on top of this retail business."

An official at another trading house said, "We want to infiltrate all stages of the rice distribution system from direct rice crop collection from farmers to wholesaling and retailing transactions."

The new law, however, retains strict curbs on the business of buying rice from farmers, the sources said.

The sources also said a nationwide network of farmers' cooperatives may put up resistance to would-be newcomers.

An industry source said, "If trading houses storm into the rice market all of a sudden, disrupting the long-standing order in the industry, it would draw a backlash from the farmers' cooperatives."

A trading house executive said, "We want to push our entry into the distribution system without antagonizing public opinion" in view of the 1970s scandal involving Marubeni, which reportedly snapped up a large amount of glutinous rice.

The large-scale purchases triggered widespread accusations that Marubeni was trying to corner the market in glutinous rice to drive up prices. Glutinous rice is used for making "mochi" rice cakes.

Forestry Agency To Cut Domestic Lumber Prices

OW1602085495 Tokyo KYODO in English 0706 GMT 16 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO—The Forestry Agency plans to standardize domestic lumber for housing and integrate production and distribution processes in order to cut the prices of such lumber, agency officials said Thursday [16 February].

At present, a typical Japanese house requires lumber worth an average 8 million yen, but the agency wants to cut it by 20 percent in the near future, the officials said.

They said the agency will set up a study group within its affiliated organization, the Japan Housing and Wood Technology Center, to examine ways to standardize and reduce the number of specifications for housing lumber.

Should standardization be established, lumber could be cut and processed by producers and distributors, and that would help reduce processing costs, the officials said.

They said the agency also plans to set up an information center within the All Japan Federation of Lumber Associations to improve efficiency in business exchanges in the industry.

Supply-demand information would be smoothly distributed, and more integrated distribution systems would be established through the information center, they said.

Building joint lumber processing facilities and introducing more advanced processing machines are also planned, they said.

In Japan, lumber production and distribution systems are divided into small segments compared to systems in other countries, the officials said. That hinders efficiency and profitability throughout the industry, they added.

Prices of domestic and imported lumber for housing are almost the same, but imported products hold about three quarters of the domestic market as domestic products are less profitable, they said.

DONEN Begins Final Efficiency Test of 'Monju'

OW1702051395 Tokyo KYODO in English 0454 GMT 17 Feb 95

[FBIS Transcribed Text] Fukui, Japan, Feb. 17 KYODO—The final efficiency test before trial operation of the plutonium-fueled fast breeder reactor "Monju" started Friday [17 February] in Tsuruga, Fukui Prefecture, on the Sea of Japan coast.

Trial operation of the reactor is slated for April and full operation for December.

Officials from the government's Power Reactor and Nuclear Fuel Development Corp. (DONEN) began raising the electricity output of the prototype experimental fast breeder reactor at 10 a.m. [0100 GMT] through the removal of control rods from the reactor core.

The reactor was started up before dawn and at around 6 a.m. reached criticality, the point at which the reaction in the reactor's fissionable material is sufficient to sustain a chain reaction.

Since the reactor reached criticality for the first time last April, officials have conducted experiments with an electricity output of less than 0.1 percent of the 280,000 kilowatt capacity.

During the testing stage, experiments will be carried out with the output between 40 and 100 percent of the capacity with the steam generator in operation, DONEN officials said.

After checking the efficiency of the whole equipment including the power generator and the steam generator, the trial electricity-supplying operation is scheduled to begin in April with power transmission lines being connected to the power generator.

The output will be gradually raised from 40 percent to 100 percent during the trial operation before the full operation starts in December.

Monju represents the second stage in the government's plan to develop a fast breeder reactor that produces more fissionable material than it consumes, beginning with an earlier experimental reactor "Joyo," which reached criticality in 1977 in Oarai, Ibaraki Prefecture, northeast of Tokyo.

Joyo lacks both a power generator and steam generator.

Monju will become Japan's first fast breeder to begin supplying electricity later this year.

Some residents around Monju object to the facility because of possible accidents. Miwako Ogiso of a citizens group against the reactor said she is afraid there may be an accident if the steam generator is damaged.

Several industrialized countries that were developing fast breeder reactors have shut down their projects, citing high costs and safety factors.

Some international critics say that since the Cold War is over, Japan should not rely on fast breeder reactors for energy self-sufficiency because they produce fuel that can be diverted for nuclear weapons.

H-2 Rocket Repaired; New Launch Set for March

OW1702041395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Feb 95 Morning Edition p 38

[FBIS Translated Text] The Science and Technology Agency, the National Space Development Agency of Japan, and the Education Ministry's Space Science Laboratory announced on 15 March that the launching of H-2 Rocket No. 3, which has been postponed because of trouble with a satellite it is to carry, will be conducted in the middle or latter part of March.

The trouble found in the experimental space satellite "Free Flyer" (space flier unit) has since been corrected. The timing of the launch will be set after consultations with the fishermen's organizations around the launch pad.

The space flier unit had developed a gas leak from an engine valve which is used to change the orbit, and investigations by the Space Science Laboratory have revealed that small particles of dust had accumulated on the valve. Opening and shutting the valve repeatedly, while having gas shoot out of it, have blown the dust particles off, and have made it possible for the valve to close tightly.

The rocket will also carry the Geostationary Meteorological Satellite No. 5, a successor to existing one called "Mimawari [Sunflower] No. 4. This will eliminate apprehensions about meteorological satellites not being run smoothly.

TRDI Chief on Defense Capabilities, Industry

OW1702015695 Tokyo BOEI GIJUTSU JANARU in Japanese Dec 94 pp 2-3

[Article by Director General Sachio Uehara, Technical Research and Development Institute (TRDI), Japan Defense Agency]

[FBIS Translated Text] For the last few years there have been warnings of a crumbling of the production and technology bases of the defense industry. These warnings have accompanied the reduced procurement of front-line equipment for the Self-Defense Forces that began with the review of the current Mid-Term Defense Plan. The termination of the Cold War and a worldwide trend of reduced defense strength and defense spending have been the major motivating forces. One other factor has been the recession and restructuring caused by the drop in civilian demand. It is difficult to predict the results, which may become apparent in a few more years, of the increased defense spending and efforts to modernize equipment in the countries neighboring Japan. In this situation, the Defense Agency has been studying what kind of defense capability it should have; one focus has been how the defense industry should handle facilities related to defense capability.

I would like to discuss, without preconceptions, the relationship between defense capability and the defense industry, and consider what the defense industry should do to provide and maintain future defense capability.

What Is Defense Capability?

Defense capability has three main pillars: manpower (people), equipment (hardware), and information (software). People use the information flowing through C3I systems to operate their equipment effectively, and thus perform the role of defense. In such a case, the software built into the equipment (OS) can be thought of as hardware. If we consider the quantitative and qualitative aspects of defense capability, the manpower elements include the number and skills of key personnel, their level of training and their desire to improve themselves. Corresponding factors in the hardware aspect are quantities, performance and features, level of technology and growth potential (suitability to modification, upgrading and continued development). Whether or not one has the potential to cope effectively with the equipment and weapons of the hypothetical enemy is particularly important. No matter how great the quantitative superiority of one's equipment, if the quality and performance fall short of the enemy's, it will not help at all when the time comes to use it. It stands to reason that quantity cannot make up for quality. The quality of personnel can be improved through education, training and exercises, but while the quality of equipment can be improved by carefully watching world technological trends and upgrading the performance of products in accordance with the requests of operators as a result of training, exercises or actual operation, the relative quality will deteriorate day by day unless there is new development. That is the difficulty of maintaining materiel, specifically the quality of equipment, in contrast to personnel.

The Function of Defense Capability

Let us consider what role defense capability plays in dealing with strategic crises. First, there is responsiveness. One should have the capability to be able to respond immediately to enemy attack of any strength of scale. This is a matter of placing enough personnel and equipment to respond in the region or nearby. If that is impossible, one must be prepared with the mobile transport capacity to transport and deploy the needed soldiers and equipment (including ammunition and supplies needed for the battle at issue) from remote locations to the region by ground, sea, and air routes before the enemy is able to secure a bridgehead.

Second, there is sustainability, or the capability to continue fighting. This is a matter of replacing depleted soldiers, provisions, and ammunition and damaged items. It is a matter of treating and returning wounded soldiers sent to the rear, and repairing damaged equipment.

A third point that can be mentioned is deterrence. This equates to the precept, "To overcome the enemy without fighting is best of all" in Sunzi's Art of War. If someone planning an invasion learns he faces fighting men and equipment that has responsiveness, sustainability, and quantitative and qualitative superiority, the result will of course be that he stops thinking of invasion. That is the effect of deterrence.

Defense Capability and the Defense Industry

The defense industry plays a very important role in the defense capability discussed above, and in the exercise of its functions. That is because the defense industry has to have, in peacetime, the responsibility for experimental research, trial fabrication, and mass production in connection with R&D on the equipment that is the hardware of defense capability, for manufacture and supply of reserve ammunition, and for production of repair parts and making repairs. When an emergency situation is expected, it is necessary to expand manufacturing facilities, procure materials in quantity, and shift to emergency production to rapidly increase the availability of needed equipment. And if fighting breaks out, the strength of the defense industry is needed to establish rear services to provide equipment needed for sustainability. Moreover, continual efforts to raise the level of technology and maintenance of the potential to manufacture, repair and supply in time of emergency have the additional effect of deterrence. Thus it can be said that the defense industry is an indispensable pillar that supports and secures the equipment aspect of defense capability. There is, needless to say, another big contribution to defense capability in the point that equipment produced by domestic industry raises the morale of the personnel who use or operate it. That factor is all the more important for today's Defense Agency and Self-Defense Forces, which do not have the manufacturing ability of the prewar army and navy with their own factories.

Current Status

However, the downward revision of main equipment procurement that began midway through the current Mid-Term Defense Outline has begun to have a serious impact on Japan's defense industry. That is, based on reduced capacity utilization and bleak prospects for the future, one could say the industry and technological base have begun to break down, as evidenced by equipment cutbacks, personnel reassignments or layoffs, and reduced spending on R&D and investment in related facilities. It is obvious that if this continues unchecked, the defense capability we have worked so hard to build up will sink along with the defense industry that supports it. We have entered a period of "consideration of appropriate defense capability," and have begun to study the numbers and types of equipment Japan ought to possess. However, we must also plan for the maintenance, supply, modification, and renewal of all our equipment, particularly the main equipment items that have reached the levels described in the Defense Program Outline, and look into and evaluate the capabilities of the industry that will be required; that is, what can be called our basic industrial strength.

Recently the Roundtable on Defense Issues, an advisory body to the Prime Minister, stated that "from the perspective of security, it is quite essential to have a defense industry within Japan that can develop and produce equipment of high technical level and high quality." The Roundtable on the Defense Industry and Technology, which was established as an advisory body to the director of the Defense Agency's Equipment Bureau, proposed that we "clarify the medium and long-term prospects of R&D, go forward with planned R&D and with R&D that effectively sustains the technology base, and provide and support an private sector R&D structure that will support Japan's defense technology."

Proposal

Considering this background, the question of providing defensive strength is not just one of front-line soldiers; it is also necessary to take into account front-line equipment, its maintenance, modernization and replacement, and the defense industry base that supports it. It is true that some say that "We shouldn't maintain defense capability just to support the defense industry," but I believe it is actually necessary to say "the defense industry base is essential for preparing and maintaining defense strength, and we should clarify the scope and content of the defense industry base that will be necessary to sustain required defense capability, as well as secure, maintain and foster that industrial base from a national perspective." There are various views on the forum for considering this issue; it would be best to establish a forum to examine and discuss the present and future provision of defense capability, with representatives from the Defense Agency's internal bureaus that are responsible for defense policy, from the three self-defense forces who are the users, and from the defense industry. There are two good examples to which we should refer: in Germany, a meeting of this sort is held once a year; and in France, the Directorate of Central Industry which covered the defense industry and was part of the supervisory sector of the Directorate General for Armaments, has been reorganized as the Future Plans Directorate, to be responsible for technical policy regarding preparations for future equipment, investment in domestic facilities, and research planning, in an effort to build closer relations between the defense industry and users.

TRDI Research Center Official Views R&D Issues

OW1702015795 Tokyo BOEI GIJUTSU JANARU in Japanese Dec 94 pp 60-61

[Article by Tomomi Sakurada, director of the Inooka Branch, Second Research Center, Technical Research and Development Institute (TRDI), Japan Defense Agency]

[FBIS Translated Text] As a Ground Self-Defense Force (GSDF) officer specializing in communications, I have worked largely in the R&D field, but I also have experience as a platoon leader and battalion commander. I am presently engaged in research and development as a TRDI technical officer. I will present here some of my views on R&D, including my experience as a user or as researcher on the user side.

The period of time needed for R&D is, in GSDF-related cases, about 4.5 years in the research stage and 5.5 years in the development stage. There are small-scale things for which development can be completed in less than 10 years, but large-scale projects require at least 10 years. And once development is completed, it takes about 10 years to equip all units, and the last units equipped will operate the equipment for another 10 years or more. That is, as seen by the research officer, the last units equipped receive the new technology about 15 years after the first year of the development stage, and continue to use that technology until about 25 years have passed.

At the same time that the development stage begins, research on the next generation starts up again in the laboratory. Depending on how the research progresses, there may be items among the component technology for which the new technology in a fast moving field may be nearly complete by the time the development period ends. Consequently, when there is a variety of equipment in use, making modifications and incorporating the new technology, where appropriate, may be important in the sense of preventing obsolescence of equipment.

Fighting strength was once defined as "personnel" and "materiel," with the three main pillars of "materiel" being firepower, mobility, and armored attack capability. Overall strength was heightened by training to the fullest extent, maximizing the performance of each piece of equipment, and applying it appropriately. These factors all depended on the skill of "personnel." In the current era of high technology, quality is stressed over quantity for enhancing performance. Intelligence is essential to the use of performance and overall strength, and information-processing, decision-making, and control functions have become more important than ever. Accordingly, the functions that constitute the brains of materiel, the decisions of operators, and the functions that support command and control have become extremely important factors along with the three pillars of the earlier period. These technologies, which involve sensor technology, information transmission, and processing technology and command technology, are an area of precipitous technological revolution. Some of the component technologies in this area are, for example, semiconductor technology and VLSI [very large-scale integration] memory and microprocessor technology; technical competition is very fierce in the private sector, and it is normal for two or three generations of change to occur in the private sector in the time it takes for one generation of SDF equipment. The performance of such hardware as memory and microprocessors is expected by some to increase 1,000-fold in a 10- year period, and the performance what was previously found in large computers may become possible, through VLSI technology, with a few microprocessor chips.

Based on that trend of technology, it seems that equipment with sensors, information-processing or decision-making functions will become outdated with unprecedented speed. When I consider the troops who are assiduously training to make the most of the performance of the materiel with which they have been equipped in order to heighten their fighting strength, I think it is essential to shorten the R&D period and actively put together equipment improvements.

Report on TRDI Chief Uehara's European Tour

OW1702015295 Tokyo BOEI GIJUTSU JANARU in Japanese Dec 94 pp 54-59

[Article by Akio Ishikawa, chief researcher, Technology Department, Technical Research and Development Institute (TRDI), Japan Defense Agency]

[FBIS Translated Text] **1. Purpose and Outline of the Tour**

Summer was very hot this year. On 3 July, about when the heat began, TRDI's Director General Uehara left Japan for a three-week tour, visiting Germany, Britain, France, and Sweden, and returning on 16 July. He seemed to take the heat with him to Europe; even Sweden recorded temperatures of 30 degrees celcius or more, the hottest in 50 years. This was a busy trip, staying just a few days in each country, but it achieved great results. I accompanied the director general to Europe; the following report is a selection of characteristic occurrences taken from what I observed in each country.

The tight fiscal situation and the relaxation of tensions following conclusion of the Cold War have been the background for numerous local conflicts in Europe and an increase in multilateral operations by the United Nations and others. In response, countries want to rebuild their defense establishments, and the current restructuring has an effect on equipment R&D. The purpose of our trip was to survey the latest equipment policies the major countries of Europe were following in this situation, as reference material for considering how Japan should conduct research and development. Accordingly, we wanted to conduct direct exchanges of views with the responsible officials of those countries and to look into the circumstances of different representative defense industries placed in the same situation. For that reason, our visits were made primarily to the offices handling defense equipment in the defense ministries of those countries.

We took off from Narita at mid-day on Sunday, 3 July, when the temperature had risen to 34 degrees Celsius, thinking we would leave the heat behind when we went to cool Europe. But when we arrived in Munich, Germany, that evening (after what was actually a 12-hour flight), we found the temperature just the same, and the heat stayed with us the rest of the time. After arriving in Munich, we ate supper at 8:00 PM, but the sun was still high in the sky. It was still light after 10:00 PM, just before we returned to the hotel. It was about 3:00 AM in Japan while we were eating, so of course we were sleepy.

The first place we visited in Germany was the Ulm office of the Radio and Radar Division of DASA (Deutsche Aerospace AG), located in Ulm, a short distance from Munich; this was once Telefunken, famed for electronic warfare equipment. The same day we moved on to Bonn by rail, and the following day we visited the Equipment Technology Bureau of the Defense Ministry. The bureau had a first-hand understanding of the equipment policies which were the focus of this trip, including the defense equipment acquisition plan and a future reorganization plan, so that is the only place we had to go. The meeting with Equipment Technology Bureau Director Jiimon [name as published] lasted 40 minutes, well over the time originally scheduled. Following that, we received briefings on review of the R&D structure and on defense industry policy from the division chiefs handling those matters. Then we had lunch with Mr. Vitsugayoo [name as published], who had been stationed in Japan as a technology attache. The Defense Ministry has an excellent restaurant for visitors; I was quite surprised to see that even the waiters were military personnel.

In Britain, the second country visited, we went to the Defense Ministry on the first day, 6 July. We talked for half an hour each with Lord C. France, the Deputy Defense Secretary; P.D. Evans, the deputy science advisor said to hold the highest technical post; M. McIntosh, director of the Procurement Executive; and Lord A. Thomas, head of the Defense Sales Organization. That evening we met them all again for dinner, along with R. Warren of the Defense Research Agency, with whom we were scheduled to meet the following day. There was a pleasant conversation that ranged from defense equipment to culture. The following morning we visited the Defense Research Agency in Farnsborough, a little outside London, and met with J. Chisholm, its director. We were deeply impressed by the collection of materials he had prepared in response to questions we had submitted earlier. Afterwards, we went to the Warton plant of BAe (British Aerospace) to inspect the Eurofighter that was under development, making its first flight in April. Other parts of the British defense industry we visited were Thorn EMI, famous for optoelectronic equipment, on 6 July, and GEC-Marconi's Yarrow Shipyard in Glasgow, which builds surface ships such as Type-23 frigates, on 8 July.

The third country visited was France. On the first day, 11 July, we visited the Defense Ministry's Directorate General for Armaments to get an understanding of defense equipment R&D, testing and evaluation, procurement, and defense industry policies. We talked for about an hour each with Director General Konzu [name as published], director Berutou [name as published] of the International Relations Directorate, Director Jiribofu [name as published] of the new Future Plans Directorate, and director St. Germain of the Research, Studies and Technology Directorate, which is responsible for technical research. That night there was a welcoming dinner hosted by director St. Germain; directors Berutou and Jiribofu were present, and we talked late into the night. The following day we visited the Equipment Agency's Flight Test Center in Istres, near Marseilles on the Mediterranean coast, and the Guided Weapons Firing Test Center in Toulon, which tests missiles and torpedoes. The defense industries we visited were Thomson TRT Defense, maker of optoelectronic equipment, on 11 July, and Aerospatiale (Missile) Corp., maker of surface-to-air (Aster) and other missiles, on 13 July.

The fourth and final country visited was Sweden. We visited the Defense Ministry's Defense Equipment Agency on our first day, 14 July. However, summer vacation had begun at the end of June, and the top officials were not available; we met with General P. Lundberg, deputy director for air force equipment, and Professor A. Bovarius, director of Department Four of the Defense Institute. The first defense industry visited was SAAB, the integrated industry that developed the Gripen fighter and makes missiles and electronic equipment, and Karlskroner, which is known for the experimental stealth ship "Smyge" and the SAM-1 [expansion unknown] unmanned minesweeper.

With that, we ended a hot, busy tour of four countries in two weeks. We departed from Frankfurt on 15 July, and returned to Narita the afternoon of 16 July.

2. Defense Policy and Defense Equipment Policy

Although it is evident that the countries we visited have had increased opportunities to join in UN and other multilateral operations to deal with local conflicts since the end of the Cold War, it is hard to point out direct threats to them. With reduced defense budgets, therefore, spending for defense equipment procurement has declined slightly in Germany and Britain, and has not increased in Sweden. France recognizes the threat of theater ballistic missiles from south of the Mediterranean, and plans to increase defense equipment procurement by 0.5 percent in each of the next few years.

To cope with that trend, the countries have tried to upgrade their transport capability to maintain a rapid deployment capability. For example, Britain is emphasizing research to make its field armored vehicle more efficient, France has planned the development of a new armored vehicle (VBM) to assure the safe transportation of personnel, and Germany expects to participate in that. In the field of air transport, France is planning to develop a cargo helicopter as a successor to the Superpuma and a less expensive tactical transport like America's C-17. Otherwise, technology for personnel protection is being stressed; Sweden has always emphasized defense technology research, and this has become important research for Germany and France as well. Germany and France are also stressing research to improve guidance precision, and to increase the effectiveness of weapons within the theater. France is particularly sensitive to the threat of theater ballistic missiles; defensive systems for that are an area of emphasis there and in Britain. France is presently pursuing independent development of the Aster missile for low-altitude use, along the lines of the U.S. ERINT [extended range interceptor]. The countries are also emphasizing reconnaissance and detection technology, and are considering the use of space satellites in the information field.

3. Defense R&D Structures

As I said, defense equipment procurement spending has peaked, but necessary new technology systems are increasingly complex and expensive. To cope with that situation, countries are trying to make the R&D structures for defense equipment more efficient. All four countries visited make technology development a part of procurement and put technology research in a separate category, but each takes a different approach. In Germany, the Defense Ministry has no R&D entities except for a few special fields, and has R&D done by other national institutions, universities and the defense industry; the Defense Technology Procurement Agency handles testing and evaluation, as well as procurement. This is not much different from other sectors, but the General Bureau for Equipment, which handles the Defense Equipment Acquisition Plan and other equipment policy, is scheduled for a major cut in personnel and consolidation of offices. Britain's Defense Research Agency (DRA) is responsible for defense technology research, and the Procurement Executive handles development and procurement. Britain is cutting back its nearly 10,000 DRA employees by invigorating the private sector, and is shifting the overall budget from a system of acquisition by contract to an independent profit system to increase efficiency. In France, the Directorate General for Armaments has unitary control of defense equipment acquisition, including defense industry policy, but the authority that had belonged to the Central Industry Bureau has been strengthened and the Future Plans Directorate has been formed with the purpose of reforming the defense industry, which is suffering from the future direction of R&D and the reduced volume of procurement. Sweden is making such reforms as concentrating authority for the three services in a single commander, and integrating military jurisdictional divisions. The Defense Institute, which carries out defense research, has changed its research departments from a five-layered organization to seven departments on the same level, and has established departments for guidance control and electronic warfare. In the Defense Equipment Agency, which takes care of the entire life cycle of equipment from development through procurement, maintenance and disposal, there was an organizational reform to increase efficiency in January 1993, the technical field of the executive sector was rationalized, and the management sector, which is the point of contact between the executive sector and the users, was strengthened by increasing the command authority of each of the three services.

Along with these organizational reforms, each country has tried to stimulate technology in the private sector. In the case of France's VBM, mentioned above, consideration was given to interchangeability of parts, including the engine, gears and transmission with those used in the private sector. The price was held within $1 million per vehicle, and procurement extended to several thousand vehicles. A new method has also been decided for development of France's cargo aircraft; the civilian Airbus Group will be asked for a proposal, and the transport will be developed on the basis of specifications for civilian aircraft.

All four countries want to engage in more international joint R&D than in the past. That is primarily for economic reasons—Germany wants to use international joint projects for 70 percent of development and 50 percent of research. Britain also plans to go forward with joint research in the field of technology. Moves of this sort are also seen in France, which previously been determined to develop equipment autonomously, and the Rafale fighter it has put so much effort into is expected to be the last it develops independently. France assesses defense technology in three categories: things like nuclear technology on which it should definitely do R&D itself; things for which a reliable source can be secured within Europe; and things that can be easily obtained internationally, with no supply risks. Sweden has decided to conclude bilateral agreements with France, Norway and five other countries, and to go ahead with international joint R&D, but it is thought to have the political motive of achieving security through bonds in the field of military technology. The partners in joint R&D are increasingly European countries rather than the U.S.; the German view that European autonomy should be assured is typical.

The French flight test center and guided weapon firing test center we visited were very well staffed, with about 500 employees each; the cost of maintaining them is considerable. The large flight simulators in each country were particularly conspicuous. France is considering making its large-scale test facilities and wind tunnel available to joint use within Europe.

The volume of procurement has fallen to half that of the cold war period; defense industries have responded by shifting their activity to the civilian sector, and diversifying in other ways. Corporate integration is also going forward in Europe; Germany's DASA and Britain's BAe are absorbing domestic electronic equipment manufacturers to the point that there is only one left in each country. Britain's Yarrow Shipyard, which has a long tradition as a major shipbuilder, has come under the umbrella of GEC-Marconi. This movement of corporate integration is progressing in an effort to compete with the U.S. cooperation among European companies and the establishment of Eurocompanies like Eurocopter can be expected to increase.

4. Status of Defense R&D

The defense industries we visited included many electronic equipment manufactures, including DASA, Thorn EMI, and Thomson. The need to look to Europe for items that we have tended to order from the U.S. is suggested by such things as the Ka band technology in DASA's missile seekers, portable aircraft detectors using the infrared image technology that has been a Thorn EMI selling point for 40 years, and Thomson reconnaissance equipment that it calls the best in Europe. Aerospatiale's Aster surface-to-air missile is notable for independently developed technology using side thrusters. Among the fighter aircraft developed in Europe, France's Rafale has entered mass production, Sweden's Gripen is in the final stages, and the Eurofighter has actually been put on view. The Gripen crashed twice during flight testing, but the problem was determined to be inadequate flight control software, and the flight simulator was used effectively in dealing with that problem. The French flight test center apparently gave assistance as well. The Eurofighter is a joint development of Germany, Britain and two other countries; it was flown for the first in Germany and Britain this spring. It seems to have done well technically, but Germany is unhappy with the cost, and its future remains to be seen. In terms of technology, the nose contains GFRP [graphite fiber reinforced plastic], which was developed beginning in 1978, as a structural material, but the fuselage and wings are largely a carbon fiber composite material. Another impressive point regarding the airframe structure is that there is a single central frame that can be attached to or detached from large openings on the sides of the fuselage. At the Yarrow Shipyard we saw a Type-23 frigate in dry dock, and as a warship from just after the Falkland conflict, it showed thoughtful design throughout. From the aspect of electromagnetic stealth, most of the surfaces of the superstructure were set at a slant, and antireflective measures were taken on stanchions, fair leaders, and other rounded structures. It was also impressive that such great use was made of CAD systems as design tools.

Sweden has long been seen as a unique country that uses its own, fresh technology; one example of that is SAAB's portable, outdoor area measuring equipment using reflected electromagnetic waves. We saw the stealth test ship "Smyge," of the SES [surface effect ship] type, at Karlskroner; this is a joint project of the Equipment Agency, research institutes and industry to demonstrate ship research and stealth technology, and also to serve as a testbed for various types of equipment. They were proud to say that it had been built in just 2 years for the low price of about 1 billion yen. But while consideration was given to the use of an SES-type craft as the recently designed next-generation high-speed attack craft, it is said a monohull design was adopted instead to provide a multipurpose craft that would also handle low speed anti-mine warfare. In any case, the stealth characteristics of this stealth test ship seem to be excellent; the sailor who was our driver said it had no radar image at sea. The SAM-1 unmanned minesweeper shows an awareness of Sweden's special characteristics. It was developed over a 10-year period beginning in 1975, and so in the early stages of the Gulf War it attracted great attention from the U.S., which used it with changed specifications. Sweden's defense policy emphasizes protection of its long coastline, and its mine disposal technology is particularly noteworthy. Joint development of the SAM-2, of the air cushion type, is progressing.

5. Afterword

In response to the views of the editors, my jottings have been put in the somewhat rigid form of a trip report, but

I will be satisfied if I have been able to convey the overall sense of the trip. This was my first visit to Europe, and we went through four major countries in a short period. In an hour's flight that would be a domestic trip in Japan, we would come to a new country with a different currency, language, geography and national character. European integration face problems, but is going forward; still, considering the independence of each country, I do not think it will be accomplished quickly. Nevertheless, in the face of the end of the Cold War and the economic slowdown, each country is eagerly searching for an equipment policy that will break out of the current situation; we found this very instructive. We were well-treated everywhere we went, and relations were good throughout the trip; I wish to express my appreciation to all those who supported us.

Official on Precision Guidance Simulators

OW1702015595 Tokyo BOEI GIJUTSU JANARU in Japanese Dec 94 p 35

[Article by Moriyoshi Yamakawa, director of the 3rd Research Office (Guidance), 3d Department, 3d Research Center, Technical Research and Development Institute (TRDI), Japan Defense Agency—part two of the "Defense Simulator" series]

[FBIS Translated Text] This time we will introduce another kind of simulator, the "precision guidance simulator."

The big difference between precision guidance simulators and the missile simulator described last time is that the relative movement of the missile and the target can be expressed as angular coordinates in a restricted space, not as polar coordinates.

The image guidance method has often been adopted in optical guidance missiles in recent years. Accordingly, in HWIL (hardware in the loop) simulation experiments (physical simulation experiments) for such missiles, it is necessary to feed the homing seeker image information on the target that is appropriate to the relative positions of the missile and the target. Therefore the precision guidance simulator has been made able to generate simulated target images that reflect the relative positions of the missile and the target by direct movement, on a dolly, of a terrain model simulating a ground target in visible light, or a thermal plate simulating a ship in the infrared region.

This precision guidance simulator was the object of research and fabrication by the 3d Research Center from fiscal year 1980 through fiscal year 1982. Its basic composition is: a) a test piece rotational movement mechanism that represents the attitude of the missile flying through the air; b) a relative position indicator that represents the movement of the missile relative to the target; c) a relative motion calculator that provides real time calculation of missile and target movement and directly controls the rotational movement mechanism and relative motion indicator; and d) an illumination device that can simulate actual outdoor brightness levels.

Since its completion, this precision guidance simulator has been used for physical simulation testing of the Type 87 antitank missile, the Type 91 portable surface-to-air missile, and the Type 91 bomb-guidance device; it has made a great contribution to the development of these missiles. Beyond that, it has been used effectively in basic experiments on signal processing of graphic images within the 3d Research Center.

The importance of physical simulation experiments in missile R&D has already been demonstrated in the United States and other countries. As I stated at the beginning, the adoption of image guidance in homing missiles is a trend of the times. Accordingly, experimental equipment like this precision guidance simulator will become increasingly important in missile R&D. That being the case, one technical task for development of future experimental equipment will probably be a target modeling device that can model detailed target images in the infrared spectrum.

North Korea

MAC Room Called 'Former Conference Room'

SK1702141595 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 17 Feb 95

[FBIS Translated Text] (Jeremiaho Timbutu Useni), minister of the federal capital territory, special envoy of the Nigerian head of state, and his party visited Panmunjom on 17 February.

The delegation toured with interest the conference room where the armistice negotiations were held, the place where the Armistice Agreement was signed, and the former conference room of the Military Armistice Commission. From the balcony of the Panmungak, the delegation members looked at the Military Demarcation Line [MDL] and the DMZ area which have divided one Korea and one nation for half a century.

The special envoy of the head of state said that, through his visit to Panmunjom, he had a firsthand look at how Korea has remained divided. He said he was convinced that the misfortune of national division would be removed at an early date.

Afterward, the delegation members toured the concrete wall which the U.S. imperialists and the South Korean puppet clique built in the area south of the MDL.

Kim Chong-il Extolled as Chuche Idea Successor

SK1702100095 Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 14 Feb 95

[NODONG SINMUN 14 February special article: "A Great Ideologist and Theoretician Who Adds Luster to the Chuche Idea as an Immortal Revolutionary Ideology"]

[FBIS Translated Text] The modern history of Korea is shining as a glorious age in which the great leader Comrade Kim Il-song's chuche idea is triumphant and has brought forth a proud reality.

The chuche idea that emerged as a revolutionary ideology of a new age pioneered a new road for the Korean revolution and brought forth popular mass-centered socialism in this land despite the complicated historical whirlwind in the modern age. The unprecedented epochal changes and events taking place in the history of the revolutionary struggle for independence by the people of our times is inseparably connected with the tractive force of this great idea.

The entire history of mankind's future, as well as the current age, will undoubtedly be the age of the chuche idea, which will bring forth the popular masses' independent ideals.

However, for any great ideology to display its shining ray through history, there should be a great ideologist and theoretician who inherits and develops it and brightens the future of the times. The everlasting life and tractive force of the great leader Comrade Kim Il-song's revolutionary ideology, the chuche idea, is firmly ensured by the respected and beloved Comrade Kim Chong-il who is the most faithful successor to this great ideology and outstanding ideologist and theoretician. [widaehan suryong kimilsong tongjiui hyongmyong sasang chuche sasangui yongsaenghanun saengmyongnyokkwa kyoninnyogun, iwidaehan sasangui kajang chungjikhan kyesungjaisimyo kolchurhan sasangirongaisin kyongaehanun kimjongil tongjie uihanyo hwakkohi tambodoego itta]

1. Ideology is the Life of the Revolution.

The future and destiny of the cause of the revolution are determined by the everlasting vitality of the leader's [suryongui] revolutionary ideology. Whether the leader's revolutionary ideology has vitality throughout the entire historical course of the revolution or not depends on the leaders [yongdojadul] who come after him.

The lifelong mission of the leaders [yongdojadul] of the revolution is to continuously develop and enrich the leader's [suryongui] revolutionary ideology and brighten the road of the popular masses' revolutionary struggle.

Needless to say, the work of founding a correct guiding ideology in the pioneering era of the revolution is difficult, hard work. At the same time there is also the complicated and difficult work of adhering to, developing, and enriching the leader's ideology in the historical era of inheriting the revolutionary generation [hyongmyongui taerul ionaganun]. This is the stern reality shown by the rough history of the socialist movement.

He who created the epochal example of purely inheriting the leader's ideology and brightening the future of the revolution, which advances into a new ideology and theory in the present history of the socialist movement, is our dear Comrade Kim Chong-il.

The great leader Comrade Kim Il-song taught: Comrade Kim Chong-il is adding luster to our party's chuche idea as a great guiding ideology of the era of independence by conducting ideological and theoretical activities with his extraordinary faculties of inquiry and energy.

The greatness of the leader [yongdoja] of the revolution is defined by the amount of the achievements he made in adhering to, deepening, and developing the leader's [suryongui] ideology. The great leader Comrade Kim Chong-il is the most faithful loyalist and outstanding genius unmatched by the successor of any other country in the attitude and position of inheriting and developing the leader's revolutionary ideology, in the abundance and profundity of the achievements he made in the process thereof, and in the historical period thereof.

The dear leader Comrade Kim Chong-il has made immortal achievements in inheriting and developing the great leader Comrade Kim Il-song's revolutionary ideology and adding luster to it as the revolution's eternal guiding ideology.

That the respected and beloved Comrade Kim Chong-il scientifically formulated the great leader's revolutionary ideology is of fundamental significance for the fate of the popular masses' cause of independence.

In the socialist revolution and construction from the 1960's and onward, the limitations of the previous revolutionary theories have surfaced more clearly, and in the parties of quite a few countries, a modern revisionist theory was being formulated. The socialist movement faced a crisis of its guiding ideology.

Meanwhile, the socialist reality of our country, which victoriously advances under the banner of the chuche idea, attracted worldwide attention to the great leader's revolutionary ideology. At this very time, Comrade Kim Chong-il gave a classic definition that the great leader's revolutionary ideology is the monolithic system of the ideology, theory, and method of chuche, and gave a clear proclamation of the historical root of the great ideology as the guiding ideology of the revolution of our times.

Having formulated the great leader's [suryong] revolutionary ideology was a significant event that was a great boon of revolution to the people, who eagerly desired a correct guiding ideology for the new age, and enhanced their confidence and courage about the future. It was also a historical prologue that marked a fundamental turning point in the development of the guiding ideology of revolution.

The respected and beloved Comrade Kim Chong-il has not only scientifically formulated the great leader's [suryong] revolutionary ideology but also has enriched, deepened, and developed the ideology in every aspect with new theories and contents in accordance with the demands of the developing world and revolution.

The dear Comrade Kim Chong-il's ideological and theoretical achievement in developing and enriching the great leader's [suryong] revolutionary ideology is methodically integrated in his immortal classical works. The dear Comrade Kim Chong-il wrote and published numerous works with sleepless and restless creative speculation and research, including *On the Chuche Idea, The Historical Lesson of Socialist Construction and the General Line of Our Party, On Basic Questions of Building A Revolutionary Party,* and *Socialism Is a Science.* These works shine as the monumental great masterpieces of our times that developed and enriched the great leader's [suryong] revolutionary ideology into new ideological and theoretical wealth.

The most brilliant part of the ideological and theoretical achievement of the great leader [yongdoja] Comrade Kim Chong-il, who developed and enriched the fatherly leader's [suryong] revolutionary ideology, is having scientifically verified the man-centered chuche philosophy. Comrade Kim Chong-il embodied the great leader's [suryong] chuche philosophy and scientifically explained that man is a social being with independence, creativity, and consciousness, and the only master and reformer of the world. For the first time in history, he established the consummated understanding of the characteristics of human nature, and man's position and role in the world.

The philosophy that the world is dominated, reformed, and developed by man, and the social historical theory that man is the master of society, and the development of society depends on the development of man's independence, creativity, and consciousness, are the essence of the chuche philosophy verified by Comrade Kim Chong-il. The great philosophy scientifically solved the questions of human nature, which had been a serious point of dispute between progressive and reactionary forces since the beginning of mankind's philosophical speculation till this century, thus, brought about an epochal turning point from material to man-oriented philosophy.

It is a great historical event of the 20th century that, by the chuche philosophy, man's dignity and value reached its highest point and the popular masses found the correct way to change themselves from the slaves of to masters of destiny. Based on the man-centered philosophy, the dear Comrade Kim Chong-il established the scientific meaning of the nature and value of man's life, and deepened and developed the chuche-based value of life, of which the core is the ideology of cherishing the sociopolitical life. He also gave new explanations to the revolutionary outlook on revolution by combining the theory on the main forces of revolution with the theory on the sociopolitical life.

Moreover, he developed and enriched all the composition, ideologies, and theories of the great Comrade Kim Il-song's revolutionary ideology into new contents based on the principles of the chuche idea. Thus, he further brilliantly completed the leader's [suryong] revolutionary ideology as the chuche-based revolutionary theory. Only our dear Comrade Kim Chong-il, the outstanding philosopher and great politician, can make such a historical contribution by firmly establishing the basis of the man-centered philosophy and presenting such a profound and dynamic outlook on the world and revolutionary theories that are filled with the man-first spirit.

An outstanding part of the ideological and theoretical achievement of the great leader [yongdoja] Comrade Kim Chong-il, who developed and enriched the fatherly leader's [suryong] revolutionary ideology, is having embodied the man-centered philosophy and deepened and developed the chuche-based socialist theory in every aspect. The dear Comrade Kim Chong-il systemized the theory on socialism and communism presented by the great leader [suryong] with the ideology of modelling the whole society with chuche. He further completed the theory on socialism and communism as the popular masses-centered scientific theory. For this, people praise the fact that the great leader [suryong] founded the popular masses-centered theory on socialism and communism, and the great Comrade Kim Chong-il brilliantly embodied and completed the theory.

The creativeness of great Comrade Kim Chong-il's theory on socialism lies in the fact that he, centering on the popular masses, elaborated on the historic inevitability of socialism, a fundamental method of building socialism, the essence of a socialist society and the driving force for its development, the fundamental superiority of socialism, and all other issues.

This theory says: The popular masses achieve independence only in a socialist society based on collectivism, man's inherent demand, and, therefore, for capitalism, based on individualism, to switch over to socialism, based on collectivism, is an inevitability in the development of history. This has given the people the firm belief that socialism will win without fail and the revolutionary truth that socialism can win only when it materializes collectivism. This has also crushed the groundless contention of the imperialists who rave about an end to socialism.

This theory also stated that giving priority to human remodeling, strengthening the main forces of the revolution, and enhancing their roles is a fundamental way to develop a socialist society because a decisive factor that develops a socialist society is the creativity of the popular masses who are armed with high ideological consciousness and united into one.

This theory overcame the limitations of the preceding socialist theories that considered objective material and economic conditions to be basic to a socialist society, and fully discloses the unreasonableness and reactionary nature of the view of the betrayers of socialism who advocate mammonism.

In particular, Comrade Kim Chong-il elucidated that the popular mass-centered socialism of our own style, in which the chuche idea is materialized, is a society in which the popular masses assume the position of masters, exercise their rights as masters, fulfill their responsibility and role as masters, and enjoy valuable and happy lives as masters. In this way, he scientifically proved that the popular masses-centered socialism of our own style is the most advanced socialism in which man's inherent demand is materialized.

No other views on socialism considered the popular masses to be masters of a society or were formulated based on man's inherent demand for leading an independent life and for self-development. Thanks to great Comrade Kim Chong-il's scientific theory on socialism, people could clearly know socialist society is a society that mankind considers to be ideal, and the miscellaneous theories on socialism that create chaos in the modern socialist movement have been invalidated completely.

Dear Comrade Kim Chong-il not only theoretically deepened the theory on socialism but also fully elucidated all theoretical and practical problems in accelerating human remodeling, nature remaking, and social reform by strengthening the people's regime and vigorously carrying out the three revolutions—ideological, technological, and cultural. In this way, he further developed and enriched the theory on socialist construction. He also fully developed theories on all fields and sectors of socialist construction, including economic construction, cultural construction, party building, the building of the regime, the building of revolutionary Armed Forces, and the building of labor organizations.

The chuche-oriented socialist theory that Comrade Kim Chong-il developed and enriched is truly a scientific theory consistent with creativity, revolutionary spirits, the spirits of the era, philosophical spirits, and a great revolutionary theory on human liberation that helps the popular masses achieve independence. Using this theory as a rudder, modern mankind made a revolutionary change from socialism centering on mammonism to popular masses-centered socialism. This is a great, happy event for modern mankind.

Another glorious achievement among the ideological and theoretical achievements of the great leader [yongdoja] Comrade Kim Chong-il, who developed and deepened the fatherly leader's [suryongnim] revolutionary idea, is that he established a chuche-oriented outlook on relations among the leader [suryong], the party, and the masses, and that he creatively enunciated a principle on communist leadership and a principle of politics.

Dear Comrade Kim Chong-il newly deepened and developed the chuche-oriented theory on leadership and a theory on politics based on the principle on the leader's [suryong] position and role in the working class' revolutionary struggle and the principle on revolutionary comrades, which the great leader elucidated. A fundamental idea here is that the leader [suryong] is the center of a social and political group's life and its guiding intelligence and that the popular masses can assume the position of the main forces of the revolution and play the role of the main forces of the revolution when they are united into a single social and political organism and move under the unitary command of the leader [suryong].

Comrade Kim Chong-il has elucidated that the relationship among both leaders [suryong and yongdoja], the fighters, and the people in social and political collectives should be the relationship of perfect harmony on the basis of revolutionary camaraderie and a sense of obligation and that it should also become precisely model ties between the leader's [suryong] trust in the fighters and the fighters' loyalty and filial piety toward the leader [suryong]. This is not only the basic principle of the revolutionary leadership that the dear leader has cherished and adhered to since the first day of his embarkment on the road of the revolution, but is also the basic idea of socialist politics that he has decided to adhere to and glorify throughout his life.

Proceeding from this Comrade Kim Chong-il has clarified that the leader's [suryong] unitary leadership in the masses should become the comradely relations in which the leader [suryong] leads people's destiny in a responsible manner and in which the people uphold the leader's leadership with their consciences and their sense of obligation while accepting it as their (?life force). He has also clarified that socialist politics should become the politics of trust with man.

The explanation of this principle has resulted in dealing fatal blows to revisionists attempting to separate the leader [suryong] from the masses and refusing his unitary leadership. Thus, it has constituted a particular event that effected the fundamental turn in the method of politics by the ruling party of socialism. Comrade Kim Chong-il, who had clarified the leader-centered, unique leadership principle, has extensively elucidated the revolutionary work system, work method, and people-oriented work style and monolithically systematized them. Thus, he has established the theory on chuche leadership and lifted the theory on socialist politics to a new, high stage.

Comrade Kim Chong-il has linked the principle of the party's leadership, that is, the principle of politics, with revolutionary obligation and communist morality, which is based on love and loyalty. He has done so at a time when the inhuman relations—in which people wage dog fights against each other—and high-handed politics, that is, bureaucratic governing, are still overflowing in this world. This is another achievement that Comrade Kim Chong-il has produced for history.

Highly assessing the immortal achievement of the respected and beloved Comrade Kim Chong-il in glorifying the chuche idea as the great guiding ideology of the era of independence, fatherly leader Comrade Kim Il-song said: Comrade Kim Chong-il has cultivated the chuche idea, the seeds of which I had planted in our people's soil, and fostered it into a thickly wooded forest that bears abundant fruit.

This is the assessment by history and the applause by all the people of the immortal achievement of dear Comrade Kim Chong-il who has developed and enriched the great leader's [widaehan suryong] revolutionary ideology into precious ideological and theoretical assets.

The development of the guiding ideology of the revolution in the late 20th century and our people's practice of the revolution clearly prove that the great leader Comrade Kim Chong-il's ideology and theory have already become the monolithical ideology that creates the era and the revolution. This has also further deepened our faith that the fatherly leader's [suryong] revolutionary ideology is precisely the great leader Comrade Kim Chong-il's revolutionary ideology.

Our fatherland, which is upholding the great leader Comrade Kim Chong-il, is the fountain site of new ideology, new theory, and new spirit that gives a correct answer to the demands of the advancing era.

2. The Greatness of the Leader's [yongdoja] Ideological and Theoretical Achievements for the Times and the Revolution Is Precisely the Greatness of the Leader's [yongdoja] Ideological and Theoretical Wisdom and Activity.

Only a revolutionary leader who wages excellent ideological and theoretical activities with extraordinary ideological and theoretical disposition and ability can produce ideological and theoretical achievements that are of fundamental significance for history and people.

By upholding Comrade Kim Chong-il, the genius of ideology and theory, as the supreme leader of the party and the revolution, our people have received the highest fortune of being blessed with their leader, generation after generation. The immortal achievements that the great leader Comrade Kim Chong-il has produced in inheriting and developing the fatherly leader's [suryong] revolutionary ideology are historic creations which were achieved thanks to his extraordinary ideological and theoretical wisdom and excellent ideological and theoretical activities. They are also a brilliant symbol of the greatness of the dear leader Comrade Kim Chong-il, the genius of ideology and theory.

The great leader Comrade Kim Chong-il is another excellent ideologist and theorist of 20th century mankind.

The present century is a complicated and gloomy period in which socialism underwent failure and vicissitudes, as well, in addition to enjoying victory and advance, in the course of the sharp, class struggle between the revolution and the counterrevolution and between socialism and capitalism.

In the meantime, as the revolution was carried out over a protracted period of time, the generation of the revolution changed, and many new theoretical and practical problems arose on the road of the revolution. The process of the historical development of the chuche revolutionary cause urgently demanded the advent of an outstanding ideologist and theoretician who inherits and develops the great leader Comrade Kim Il-song's revolutionary ideology, the chuche idea, generation to generation, and can clearly elucidate the future road of mankind's cause of independence.

The great leader Comrade Kim Chong-il is the ideological and theoretical genius who appeared on the stage of history as the genius of the times and the revolution embracing this demand of the times and the yearnings of the people.

Judging from the history and principle that we come across, even if the times and the revolution demand it, an outstanding ideologist and theoretician does not appear, and even if someone rises to the position of the leader of the revolution, he does not automatically become an outstanding ideologist and theoretician. The great ideologist and theoretician who is brought forth by history and trusted by the people, the ideological and theoretical genius who creates the ideology and the spirit of the times and brightens the century, is one who has extraordinary ideological and theoretical wisdom.

Comrade Kim Chong-il's absolute authority and worldwide fame as an outstanding ideologist and theoretician is not given by any custom [kwansup]. He has this authority and fame because he literally has the highest level of extraordinary, ideological and theoretical wisdom that man's wisdom can reach.

The great leader Comrade Kim Il-song taught: I take great pride and self-respect in the fact that there is such an authoritative philosopher and theoretician as Comrade Kim Chong-il in our country.

The dear Comrade Kim Chong-il has all the characteristics and ability that an outstanding ideologist and theoretician should have. The strong spirit of inquiry with which he energetically seeks to clarify the essence and nature of any matter and phenomenon; the extraordinary insight with which he compares, analyzes, infers, and synthesizes any problem and finds and creates something new; the brilliant, creative, thinking ability with which he digs into everything, looking not only into the cause of it but also investigating it from a practical point of view; the extraordinary imaginative power with which he foresees mankind's future further than anyone else and formulates everything for the future into a scientific ideology and theory; and the excellent writing ability with which he writes books on any field with theoretical profundity, an orderly system, and a logical but popular development—these characteristics and abilities of the dear Comrade Kim Chong-il are really versatile.

Because Comrade Kim Chong-il has this extraordinary wisdom, he finds the central point of complicated matter and phenomenon entangled in a maze of thousands of twisting and turning paths and grasps its essence instantly. Seeing through the overall trend of the times and all fields of social development, he grasps and rectifies their basic aspects and problem points at a stroke. In the ordinary trend of life or in the whirlwind of rapidly changing history, he grasps the urgent problems raised by the times and the revolution ahead of anyone else and gives sagacious answers to them.

The great leader Comrade Kim Chong-il is not only the incarnation of the extraordinary, ideological and theoretical wisdom, but an outstanding, ideological and theoretical activist as well. Along with the extraordinary, ideological and theoretical wisdom, the outstanding, ideological and theoretical activity is essential to an ideologist and theoretician. Comrade Kim Chong-il's energetic, ideological and theoretical activity typified by continuous thinking, inquiry, new turns of thought, and discovery is filled with great creative processes which elucidate the ideology of the times and the spirit of the times because of the people-mindedness and originality.

All the ideological and theoretical activities of the dear Comrade Kim Chong-il are based on the popular masses' lives. Our dear Comrade Kim Chong-il puts forth new ideas and theories in which he discerns the demands of the times in the popular masses' lives and gives answers to them, elucidates the principles and laws of the revolution from the popular masses' struggles, and boldly turns his thought to any problem, if it is desired by the people and demanded by reality, and establishes it as a scientific ideology and theory.

Therefore, all ideologies, theories, principles, and theses put forward by Comrade Kim Chong-il are vibrant with the life, aspirations, and faith of the people. They reflected the demands of the reality, as well as the trend of the times, in a lively and fresh manner.

All ideological and theoretical activities of great Comrade Kim Chong-il are unique and creative.

The standard of all contemplation and researches of dear Comrade Kim Chong-il is the only revolutionary idea of the great Comrade Kim Il-song that made a comprehensive compilation of demands of the Korean revolution and of our people's interest. The basis of this standard is the concrete realities of our nation.

Comrade Kim Chong-il creatively deals with and uniquely resolves all ideological and theoretical problems based on the fatherly leader's revolutionary ideology, not on existing theories or formulas. He contemplates all problems proceeding from concrete realities and conditions of our country, and introduces ideas and theories in compliance with such realities and conditions.

All ideas and theories put forward by the dear Comrade Kim Chong-il are chuche-based and realistic ideas and theories, which are entirely new and unique, and unprecedented in existing ideas and theories, and which correspond to our people's ideology and sentiments, as well as to the practical situation in our country. This is precisely why the people are fascinated by them, and became ever-victorious, indomitable people.

The natural disposition and gifted ability of Comrade Kim Chong-il as an outstanding thinker and theoretician are the uncommon natural disposition and ability that Comrade Kim Chong-il has inherited from the fatherly leader, while traversing the long revolutionary road by following the great leader [suryongnim], and while watching the fatherly leader in the course of a long period of contemplation.

From his childhood, our dear Comrade Kim Chong-il absolutely respected the leader [suryongnim] as the great thinker and theoretician, as a great politician and as the great father of the people, and embodied intact all traits and temperaments of the leader [suryongnim].

The dear Comrade Kim Chong-il traversed the road of arduous struggle by following the revolutionary course of the fatherly leader. Since he embarked on the revolutionary activities in the early 1960's, Comrade Kim Chong-il assisted the fatherly leader, and shared contemplation and research in an effort to develop and enrich the chuche idea. He undertook the creative work to formulate new ideas and principles together with the fatherly leader.

All these unforgettable days were historic moments when the dear Comrade Kim Chong-il was perfectly embodying the great leader Comrade Kim Il-song's uncommon temperament and traits. These days were glorious days when 20th-century mankind came to uphold another outstanding thinker and theoretician.

Highly appraising the uncommon, ideological and theoretical wisdom of the great Comrade Kim Chong-il, the fatherly leader said that Comrade Kim Chong-il is a rare thinker, theoretician, renowned philosopher, and able all-around person. The fatherly leader also said he thought from his early days that Comrade Kim Chong-il would become an outstanding theoretician when he grew up.

The justness of the fatherly leader's lifetime remarks has already been proven in history, and all people have realized this. From the lofty appearance of the great Comrade Kim Chong-il, the genius in ideology and theory, our people recall the impression of the fatherly leader.

It is an incomparable honor and happiness for our people to uphold the respected Comrade Kim Chong-il, the genius in ideology and theory whom 20th-century mankind greeted, as the great leader [yongdoja] of our party and people.

3. The Generation of the Revolution Is the Very Generation of Guiding Ideology of the Revolution.

Without the inheritance of the guiding ideology of the revolution, the generation of the revolution cannot be inherited. This is the basic principle of the revolution.

The Korean revolution is the glorious revolution in which the generation of guiding ideology of the revolution has been firmly inherited and continuity of the revolution is being firmly ensured.

The revolutionary ideas, which inherited the generation of Comrade Kim Il-song's revolutionary idea—the guiding ideology of the revolution in the era of independence—throughout all stages of carrying out the chuche revolutionary cause, are the very ideas and theories of the great leader [yongdoja] Comrade Kim Chong-il.

Comrade Kim Chong-il's ideas and theories are the chuche-based revolutionary ideas, whose contents and composition were developed on the basis of the principles, system, and spirit of the revolutionary ideas of the great leader [suryongnim], and are the revolutionary ideas that firmly ensured the vitality and driving force of Comrade Kim Il-song's immortal revolutionary ideas.

Today our people call the great leader's [suryongnimui] revolutionary ideas the ideas and theories of the great Comrade Kim Chong-il, and Comrade Kim Chong-il's ideas and theories today's revolutionary ideas of Comrade Kim Il-song.

This is our people's firm belief that the lineage of the guiding ideology of the revolution has firmly continued in our revolution. This is also a manifestation of our people's invariable faith and will to defend and embody to the end the great leader Comrade Kim Il-song's revolutionary ideology. Because of lack of ideology and poverty of philosophy, all sorts of antisocialist, ideological trends are overflowing in the world today, and communists in many countries are suffering because the lineage of their revolutionary guiding ideology has been cut off.

At such a complicated time, our people, despite their misfortune of having lost the fatherly leader, are constantly advancing the revolution according to the great leader Comrade Kim Il-song's ideology and intent without the slightest degree of ideological confusion and deviation. This is thanks to the fact that we have the dear leader Comrade Kim Chong-il's ideology and theory. Comrade Kim Chong-il's ideology and theory are not only the lifeline linking the lineage of the Korean revolution, but are also the guiding principle in inheriting and consummating the chuche revolutionary cause. It is because Comrade Kim Chong-il's ideology and theory are infinitely faithful to the fatherly leader's [suryong] revolutionary ideology and have personified the historic mission of the leader's [suryong] revolutionary ideology.

The great leader Comrade Kim Chong-il's ideology and theory are based on absolute loyalty to Comrade Kim Il-song's ideology and theory.

The great leader Comrade Kim Il-song has taught: Comrade Kim Chong-il is the first espouser of and the first successor to my revolutionary ideology.

The basis in the attitude and position of the successor toward the leader's [suryong] revolutionary ideology is to absolutely believe in the leader's [suryong] revolutionary ideology. The respected and beloved Comrade Kim Chong-il is the (?loyalist) whom no one can emulate in absolutely worshiping and upholding the fatherly leader's [suryong] revolutionary ideology. The great leader Comrade Kim Chong-il accepts all ideologies and theories, [word indistinct], and doctrines expounded by the leader [suryong] as an absolute truth, and defines them as the only and eternal guiding ideology for the Korean revolution.

Comrade Kim Chong-il's loyalty and sense of obligation of infinitely respecting and following the leader's [suryong] revolutionary ideology have been sublimated into a warmer and more fervent ideological feeling since the fatherly leader [suryong] passed away and left us. When the whole country was in deep sorrow after losing the fatherly leader [suryong] he presented the revolutionary slogans, "The great leader Comrade Kim Il-song is with us forever" and "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary ideology" and, thus, planted the slogans in the minds of our people as their motto of life and struggle. Such a fact cannot be found in the world through the ages.

Taking it as an immutable rule to thoroughly safeguard, defend, and add luster to the quintessence and basic spirit of the fatherly leader's revolutionary ideology and his ideological and theoretical achievements, the dear leader Comrade Kim Chong-il has always solved the new ideological and theoretical problems presented by the times and the revolution based on the leader's [suryong] ideology.

Herein lies the secret that all of Comrade Kim Chong-il's ideology and theory have become the ideology of a perfect whole which is connected to the respected and beloved leader's [suryong] revolutionary ideology as one lineage and which beats as one heart.

The great leader Comrade Kim Chong-il's immortal work, *Socialism Is a Science* is a clear canvas showing his attitude and position of loyalty in developing and enriching the leader's [suryong] revolutionary ideology with a noble sense of obligation. This work is very famous because it completed the chuche-oriented socialist doctrine scientifically. This work has also moved the hearts of many people because it thoroughly deepened and developed the theory of socialism even after the leader [suryong] passed away.

This work is a crystal of the iron-like will and faith of the respected and beloved leader Comrade Kim Chong-il to resolutely adhere to and brilliantly embody the great leader's [suryong] socialist ideology and line and to consummate to the end the popular masses-centered socialism of our own style as intended by the leader [suryong] while he was alive.

Looking back to the days of the past communist movement when there were many vicissitudes in the process of inheriting the leader's [suryong] ideology, the people are cherishing deep in their hearts Comrade Kim chong-il's lofty and inmost feelings toward the great leader's [suryong] revolutionary ideology.

The great leader [yongdoja] Comrade Kim Chong-il's ideological theory is based on the boundless loyalty to the popular mass' cause for independence. His ideological theory is intended to thoroughly safeguard and achieve the popular mass' independent demands and interests.

The philosophical faith of the great Comrade Kim Chong-il, who regards as his motto the great leader's [suryong] political faith "Serving the people, serving the heavens," absolutely worships the people and gives the top priority to their interests. It is a natural principle that an idea for the people can be produced only by the leader [yongdoja] for the people.

In the dear Comrade Kim Chong-il's ideological theory, the principle of his view of the world elucidates the ways to pioneer the popular masses' destiny. Also, the revolutionary principles elucidate the methods of safeguarding and achieving the popular masses' independence. The principle of politics exists for the people, and presents the method of faithfully serving the people.

It is the great Comrade Kim Chong-il's ideology and theory that illuminate the true road to endlessly carrying out the revolution until the independence of the popular masses is achieved, and to turning the popular masses into the complete masters of the world and their own destiny, while regarding the question of achieving the popular masses' independence as the fundamental goal of the revolution.

Comrade Kim Chong-il's ideology and theory strengthen, in every way, and highly display the might of the popular masses. Comrade Kim Chong-il's revolutionary creed is to enhance the people's revolutionary consciousness and their creative ability on the basis of the trust in the people's might; and to find a fundamental key to solving all problems of the world in terms of highly displaying such consciousness and creative ability.

The dear leader Comrade Kim Chong-il's ideology and theory originate from, and are consistently based upon, the viewpoint and position that regard the people as being the most powerful and wisest beings in the world. Just because of this, this great idea is shining as a revolutionary idea to cultivate and display the popular masses' revolutionary consciousness and creative ability to remake and change nature and society.

Another source of the might of the dear Comrade Kim Chong-il's ideology and theory is that such ideology and theory strengthen the might of the popular masses by uniting them with the revolutionary philosophy of the single-hearted unity; foster the popular masses as independent and creative ones with the theory on remodeling men; and highly display their boundless might and wisdom.

Comrade Kim Chong-il's ideology and theory are the ones that enable the popular masses to carry out the revolution independently and creatively. The idea that the people of each country should carry out the revolution on the firm basis of a chuche-oriented position is one of the basic ideas that are running through in Comrade Kim Chong-il's ideology and theory.

The great idea that one should carry out the revolution independently and creatively is a methodology of the revolution elucidated by the chuche idea. This is comprehensively expressed in the dear Comrade Kim Chong-il's idea on carrying out the revolution in our own way.

Our own style means a chuche-oriented style. Our own style is a chuche-oriented philosophy which holds that the master of one's own destiny is one's own (?idea). Embodied in this is the chuche-oriented politics of turning the popular masses into the complete masters of their own destiny.

Like this, the great leader [yongdoja] Comrade Kim Chong-il's ideology and theory serve as the revolutionary idea, which is the most faithful to the revolutionary principle—the socialist principle—because such ideology and theory are most thoroughly satisfying the independent demands and interests of the popular masses. Only if we stick to this great idea, can we smash [chitpusida] the antisocialist offensive of the imperialists and reactionaries, and the antirevolutionary maneuverings of the betrayers [paesinjadul] of socialism; and can we also traverse straight along the socialist road—without experiencing any deviation in direction [panghyangsang talson] and any error in [political] lines [nosonsang chago]—no matter how rough the waves of the revolutionary situation may be, and no matter how harshly the circumstances and conditions of the revolutionary struggle may change.

This sums up the historical experience that Korea's socialism has gained under the circumstances in which the gale of the modern socialist democracy [hyondae sahoe minjujuui] is sweeping various socialist countries in a fierce confrontation with imperialists.

Today, the great leader [yongdoja] Comrade Kim Chong-il's ideology and theory are leading the struggle of our party and people—which have risen up to add luster to our-style socialism centered around the popular masses and to hasten the ultimate victory of the revolutionary cause of chuche while upholding the fatherly leader's lifetime wishes—to the single road of victory and glory.

Under the guidance of this great ideology, the single-hearted unity of our revolutionary ranks has been more firmly deepened than ever before; a new turn is being effected in our people's political and ideological ethos; and our fatherland's political, economic, and military might is being strengthened. The great Comrade Kim Chong-il's ideology and theory have further strengthened our people's revolutionary faith and will to be loyal to the chuche revolutionary cause to the end, by upholding Comrade Kim Il-song's immortal revolutionary ideology higher.

The great leader [yongdoja] Comrade Kim Chong-il's ideology and theory are also opening up a bright vista for the road ahead of the socialist movement, which was once faced with challenges, and vigorously encouraging and inspiring the struggle of the revolutionary people of the world for socialism.

The firm will of history that no one can block, can be found in the fact that revolutionary people of the world have held aloft the great leader Comrade Kim Chong-il's ideology and theory as the revolutionary banner guiding [hyangdo] the 21st century.

Today, our revolution has come to a turning point in history. The decisive guarantee for making this turning point an era of victory and glory is to more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary ideology and to thoroughly embody the ideology. Our people, by upholding the ideology and leadership of the great leader Comrade Kim Chong-il, the great master [taega] of the chuche idea, will defend the fatherly leader's [suryong] revolutionary ideology generation after generation, will glorifiy our revolution eternally as the great Comrade Kim Il-song's cause, and will thus further enrich our country and our fatherland.

Because Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, is with us, the great leader Comrade Kim Il-song's revolutionary ideology is immortal, and the chuche revolutionary cause is victorious and invincible.

Editorial Lauds Kim Chong-il on Birthday

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[NODONG SINMUN 16 February editorial: "Let Us Uphold the Great Leader (Yongdoja) and Complete the Chuche Revolutionary Cause to the End"]

[FBIS Translated Text] Today, all our party members, workers, officers, and men of the People's Army are single-heartedly and strongly united and resolutely fighting to make our country and our fatherland more prosperous in hearty response to the behest of the great leader Comrade Kim Il-song. Amid a solemn environment in which we are more vigorously accelerating the historic march to inherit the chuche revolutionary cause and complete it to the end under the party's leadership, we are marking the meaningful day when the great leader [yongdoja] Comrade Kim Chong-il was born.

Respected and beloved Comrade Kim Chong-il was born on Mt. Paektu, the revolution's sacred mountain, during the sacred anti-Japanese revolutionary war. This was a great, festive event in which our people received a peerless, great man who would brilliantly inherit and complete the chuche revolutionary cause. This was also a historic event that opened a brilliant future for chuche Korea.

Honorably inheriting and victoriously advancing our revolutionary cause and achieving boundless prosperity and development in our nation and fatherland are linked to this festive day.

If 15 April is the most meaningful day when our nation and the revolutionary people of the world received the great sun of chuche who casts a ray on the future road of mankind, 16 February is the most meaningful day when they received the eternal guiding star who would glorify the sun's cause.

Everything valuable and proud to our fatherland and people today is unthinkable apart from the dignified name of the respected and beloved Comrade Kim Chong-il. All the people extend the greatest honor to the great leader [yongdoja] Comrade Kim Chong-il with boundless respect and admiration and sincerely wish Comrade Kim Chong-il a long life and good health.

The entire course of respected and beloved Comrade Kim Chong-il's revolutionary activities is brilliant as honorable annals, consistent with the struggle to inherit and complete the chuche revolutionary cause which the great leader Comrade Kim Il-song cultivated.

The great leader Comrade Kim Il-song has taught: Under Comrade Kim Chong-il's leadership our revolution has marked an era of new upsurges.

Since Comrade Kim Chong-il began to lead, new changes have begun to be made not only in the party's work but also in political, economic, cultural, and various other fields, and great innovations and upsurges have been brought about in all fronts of socialist construction.

The history of the great leader [yongdoja] Comrade Kim Chong-il's revolutionary struggle is a history of inheritance and great loyalty and devotion in which he was boundlessly loyal to the cause of the leader [suryong], who cultivated the revolutionary road for the first time. This history is the history of the great ideologist and theoretician who defends, maintains, and glorifies the leader's [suryong] idea, the history of the genius of creation and construction who achieves prosperity and development in his country and fatherland as the leader [suryong] planned, and the proud history of the outstanding politician and the people's father [oboi] who highly displays the superiority of socialism and cultivates mankind's bright future by practicing the leader's [suryong] benevolent politics. Because of this history, the bloodline of chuche which the great leader formed has been inherited firmly, and the dignity and honor of chuche Korea has been displayed throughout the world.

That we received the great leader [yongdoja] Comrade Kim Chong-il was the most fortunate event in which our nation is blessed with the leader [suryong] generation after generation. This was also a momentous turning point in the struggle and lives of our people who are inheriting the leader's [suryong] cause.

The working class' revolutionary cause is, in essence, the leader's [suryong] cause and a historical cause that is continuously carried out generation after generation. When we uphold, at the van of the party and the revolution, the peoples' leader [yongdoja] who is boundlessly loyal to the leader's [suryong] cause and possesses outstanding qualifications and characters, we can firmly ensure the purity of the revolutionary cause which is continuously carried out generation after generation and can achieve an ultimate victory in the revolutionary cause.

Our people have become the proudest and happiest people who are brilliantly inheriting and completing the leader's [suryong] revolutionary cause by upholding, at the vanguard of the party and the revolution, Comrade Kim Chong-il, the peerless, great man, who has boundless loyalty to the leader [suryong] and is leading the chuche revolutionary cause with outstanding ideology and leadership.

Respected and beloved Comrade Kim Chong-il, who rose high as the bright star of Paektu, has considered inheriting and completing the great leader's [suryongnim] cause to be his lifetime mission and thoroughly devoted all his thoughts and activities to doing so. Ever since the respected and beloved Comrade Kim Chong-il who has both literary and military accomplishments and loyalty and devotion began to lead, the great leader's [suryongnim] ideology and leadership have been fully and thoroughly materialized in revolution and construction. As a result, a new fundamental change has been made in all political, economic, cultural, and military fields, and our revolution has been vigorously advancing in the spirit of chuche.

The start of the great leader [yongdoja] Comrade Kim Chong-il's leadership of the party and the revolution was a meaningful event that presented a brilliant future to the chuche revolutionary cause. Respected and beloved Comrade Kim Chong-il, cherishing the earnest desire of the era and the people in his heart, led the party and the revolution, and, as a result could be united into one, even at that time, and resolutely advance under the leadership of a great inheritor, the center of unity and cohesion, and another great and worldly man who would inherit the leader's [suryong] cause. From then on, the era of inheritance which resounds with the dignified name of the great leader [yongdoja] and the era of honor in which we will march toward the future of socialism and communism, under the banner of modeling the entire society after the chuche idea, began to unfold.

We are very fortunate to have upheld the leader's [suryong] genuine successor. This is a unanimous belief that our party and people began to cherish more deeply in their hearts when they suffered the great sorrow from the loss of the great leader Comrade Kim Il-song last year. Even though the great leader Comrade Kim Il-song, the cultivator of our revolution and the founder of our party, state, and revolutionary Armed Forces, left us, the bloodline of the Korean revolution is firmly maintained.

The great leader [yongdoja] Comrade Kim Chong-il leads our party and people at the vanguard. This is a decisive guarantee for inheriting and completing the cause of chuche. We can not imagine our people overcoming the pain of our great loss and fighting with new confidence and optimism apart from this. And, the bright prospects for the Korean future which were cultivated in the forests of Paektu is unthinkable apart from this.

The great leader [yongdoja] Comrade Kim Chong-il is the pillar of our people's hearts, the banner of all struggles and victories, and the eternal symbol of our aspirations, earnest desire, belief, and will. Because respected and beloved Comrade Kim Chong-il is leading us, we are vigorously accelerating the struggle to make our country and our fatherland, which the great leader Comrade Kim Il-song built, more prosperous.

The socialist fatherland is an embodiment of the leader's [suryong] ideology, leadership, and noble virtue. In inheriting the leader's [suryong] cause, nothing is more important than achieving the prosperity and development of the fatherland. From the time he embarked on the revolutionary road until the time his heart stopped beating, the great leader Comrade Kim Il-song devoted himself to the prosperity and development of our country and our fatherland. Separating Comrade Kim Il-song from the casting of Korea's rays as a powerful socialist country of independence, self-sufficiency, and self-reliant defense, and from the high dignity and honor of our nation, is unthinkable.

Even though the founding father of our nation is Tangun, the founding father of socialist Korea is the great leader Comrade Kim Il-song.

Our country is the dignified country radiating with the dignified name of the great leader Comrade Kim Il-song where our fellow countrymen reside, and is the most outstanding socialist fatherland built by the leader [suryongnim]. Making our country and our fatherland more prosperous is the great leader [yongdoja] Comrade Kim Chong-il's revolutionary philosophy. This patriotic cause is the focus of the revolutionary activities of respected and beloved Comrade Kim Chong-il, who is boundlessly loyal to the popular masses' cause of independence.

The great leader [yongdoja] Comrade Kim Chong-il's firm principle is to subordinate his thinking and practical activities to the prosperity and development of the fatherland and to map out his lines and policies exclusively to glorify our country and our fatherland.

Today, in our country, according to the will of the great leader Comrade Kim Il-song, the struggle is being waged to achieve the prosperity and development of the fatherland. Our party is strongly arming all people with the Korea-No. 1 spirit to highly display its dignity and spirit as the Kim Il-song nation. It is vigorously waging the struggle to implement the party's revolutionary economic strategy to highly display the superiority of socialism according to the leader's [suryongnim] will.

Thanks to the leadership of the great leader Comrade Kim Chong-il, our country, out fatherland, is vigorously advancing along the road of endless prosperity and development and its prospect is endlessly bright.

The single-hearted unity among the leader, the party, and the masses prepared by the great leader Comrade Kim Il-song has further been strengthened by respected and beloved Comrade Kim Chong-il to a higher stage. The single-hearted unity is a cardinal principle and an honorable tradition of the Korean revolution.

The great leader Comrade Kim Il-song pioneered the Korean revolution in the empty land with unity, victoriously proceeded with the revolution and construction by using unity as a weapon, and protected and defended socialism, smashing the imperialists' challenges with the might of the unity.

The creation of single-hearted unity among the leader, the party, and the masses is the greatest achievement of the great leader Comrade Kim Il-song. It is a most sacred duty of the chuche-type Korean revolutionaries and people to resolutely protect, defend, and firmly harden this unity.

Respected and beloved leader Comrade Kim Chong-il consistently values this unity prepared by the great leader Comrade Kim Il-song like his life and is making greatest efforts to harden it generation after generation.

Owing completely to the wise leadership of the respected and beloved Comrade Kim Chong-il, our single-hearted unity has become a most consolidated unity, whose firmness and ideological purity has completely been guaranteed, as well as a powerful unity in a revolutionary sense of obligation and comradeship.

Single-hearted unity is the unity in ideology, will, morality, and sense of obligation between our party and revolutionary ranks who are fascinated by Kim Chong-il's greatness in humanity, like the young communists of the previous generation upheld the great leader Comrade Kim Il-song with their faith and sense of obligation.

The might of this single-hearted unity was fully proved at the time of tragedy when our people lost the great leader Comrade Kim Il-song, and its unlimited power is now being demonstrated in the struggle to succeed and consummate the chuche revolutionary cause.

Because the single-hearted unity among the leader, the party, and the masses prepared by the great leader Comrade Kim Il-song is being hardened firmly, we will be able to consummate the chuche revolutionary cause to the end, overcoming all severe trials.

The popular masses-oriented socialism of our own style built by the great leader Comrade Kim Il-song is endlessly and victoriously advancing with the advance of the revolution, because the great leader Comrade Kim Chong-il leads it.

The justice and invincibility of the socialist cause lie in the greatness of the leader [suryong] who leads the cause. The great leader Comrade Kim Il-song built the most superior socialism, the popular, masses-oriented socialism of our own style, in this land.

It is great leader Comrade Kim Chong-il's invariable determination to resolutely protect, defend, and complete to the end the socialism of our own style that has embodied the great leader's [suryongnim] chuche idea.

Thanks to the leadership of the respected and beloved Comrade Kim Chong-il, the struggle to consummate the socialist cause is vigorously being waged in our country under the banner of the chuche idea, and the popular masses' independent and creative lives are fully blooming.

Socialism of our own style is vigorously advancing along a straight road, smashing all challenges by the imperialist and reactionaries. In recent years, the imperialists' offensive has focused on our country, which is advancing while upholding the socialist banner, but it has failed completely.

The great leader Comrade Kim Chong-il's revolutionary leadership has enabled our country to achieve victory in the keen political and military confrontation with the enemy and defend the dignity of socialism to the last.

Today, socialism of our own style is an impregnable socialist stronghold which progressive mankind looks up to, and provides great encouragement to the people who are carrying out the revolution. Because we are upholding the great leader Comrade Kim Chong-il, we will defend to the last and excellently build the popular, masses-oriented socialism of our own style and meet the expectations of the revolutionary people of the world, without fail.

All victories and achievements made in the course of brilliantly succeeding and consummating the chuche revolutionary cause clearly show the greatness of respected and beloved Comrade Kim Chong-il who has personified, at the highest level, all qualifications and traits that a successor of the leader must possess.

The respected and beloved Comrade Kim Chong-il is today's Comrade Kim Il-song who has completely embodied all the disposition of the great leader.

The great leader Comrade Kim Il-song taught: Comrade Kim Chong-il is a true people's leader who has both literary and military accomplishments and both loyalty and filial dutifulness. He is an outstanding ideologist, theoretician, statesman, military strategist, and a paragon of loyalty and filial dutifulness who is boundlessly loyal to the country and the people and very dutiful to his parents.

The process in which the chuche cause is brilliantly inherited conforms with the process in which the respected and beloved Comrade Kim Chong-il completely embodies the great leader's disposition and traits.

The respected and beloved Comrade Kim Chong-il has made continuous efforts to uphold the great leader

Comrade Kim Il-song as the sun of chuche and to do everything in the leader's style. For the respected and beloved Comrade Kim Chong-il, the fatherly leader was a great teacher, a saint of the revolution whom he revered like heaven, and the closest and benevolent revolutionary comrade and revolutionary comrade-in-arms.

Today, the great leader Comrade Kim Chong-il makes it a firm rule to develop everything in the great leader's style, inherits the tradition provided by the leader, and brings the leader's ideology into bloom. The ideological and theoretical activities of the respected and beloved Comrade Kim Chong-il are exactly the same as the great leader's ideological and theoretical activities shining with independence and creativity. Comrade Kim Chong-il's leadership on the revolution and construction is exactly the same as the leader's [suryongnimui] experienced and tested leadership, and Comrade Kim Chong-il's work method is the great leader-style work method of always going among the people and arousing the people.

Today, our people say that the respected and beloved Comrade Kim Chong-il is the great leader [widaehan suryongnim] and that the leader [suryongnim] is Comrade Kim Chong-il, and faithfully uphold Comrade Kim Chong-il's leadership.

The respected and beloved Comrade Kim Chong-il is an outstanding ideologist and theoretician of our times who exactly embodies the great leader's ideology and wisdom. The greatness of a leader consists in the extraordinary nature of his ideological and theoretical wisdom.

The great leader Comrade Kim Il-song, with his far-seeing wisdom, sagaciously saw through the demands of our revolution and the aspirations of the people of the era of independence, founded the immortal chuche idea, and elucidated the future course of the revolution. The great leader had the absolute ideological and theoretical authority as the most outstanding great ideological and theoretical master of the 20th century and a genius of mankind. The respected and beloved Comrade Kim Chong-il inherits these great traits and authority and opens up a new ground in the development of the revolutionary ideology of the working class today.

The great leader Comrade Kim Chong-il was born with excellent ideological and theoretical wisdom. The excellent, creative ability with which he scientifically analyzes and synthesizes any problem and deduces something new; the revolutionary method of theoretical development with which he develops ideology and theory based on the aspirations of the people and gives perfect answers to the problems arising in the course of the practice of the revolution; the far-seeing wisdom with which he sees into the distant future as well as the near future, and elucidates the road for the party and the revolution to follow; the amazing writing ability with which he organizedly and systematically develops any difficult logical problem with profound theory and perfect logic—this is the natural disposition which the great Comrade Kim Chong-il has.

Because the respected and beloved Comrade Kim Chong-il has the extraordinary disposition as the genius of ideology and theory, he could brilliantly achieve the historic cause of formulating the great leader Comrade Kim Il-song's revolutionary ideology and demonstrating the greatness and truthfulness of the chuche idea, as well as the task of the times of developing and completing the chuche socialist ideology as demanded by the times.

The respected and beloved Comrade Kim Chong-il's ideology and theory is a direct inheritance of the great Comrade Kim Il-song's revolutionary ideology and the deepening and development of it. Clearly set forth here are the abundant theories and specific tasks for all sectors of the revolution and construction—covering the areas from the program and fundamental method for the ultimate victory of the great leader Comrade Kim Il-song's revolutionary ideology to the theories on all fields of nature-remaking, society-remaking, and man-remaking.

For our people, the respected and beloved Comrade Kim Chong-il's ideology is the great leader Comrade Kim Il-song's revolutionary ideology, and the leader's revolutionary ideology is Comrade Kim Chong-il's ideology. Because our people have the outstanding ideologist and theoretician who is boundlessly loyal to the leader's ideology and adheres to it resolutely generation to generation, the great chuche idea will shine forever as the only guiding ideology for the times and the revolution and as the life of our nation.

Respected and beloved Comrade Kim Chong-il is the great statesman and the genius of creation and construction who has personified intact the great leader's [suryong] excellent and tested leadership ability. Our revolution has been victorious without the slightest degree of twists and turns thanks to the great leader's [suryong] ever-victorious leadership ability since its historical beginning was marked.

By whipping up a hundredfold and a thousandfold the might of the popular masses, the main force of history, the great leader Comrade Kim Il-song's leadership ability is an absolute great man's [choldae wiin] leadership ability of turning adversity into prosperity and of carrying out any complicated social and economic task in the shortest period of time.

Our people find from respected and beloved Comrade Kim Chong-il precisely the talented leadership feature of the great leader [suryong] who has embroidered the heroic epic of creation and construction. The socialist cause of our times demands a socialist political leader who possesses prominent [tukchurhan] leadership ability. Respected and beloved Comrade Kim Chong-il, who has personified intact the great leader Comrade Kim Il-song's chuche-oriented, leadership art, is another socialist, political leader whom the 20th century has greeted.

The chuche-oriented leadership solves all problems arising in socialist construction in our own way, firmly trusting only our people's inexhaustible strength; the excellent leadership that rallies millions of people with love and trust and moves the whole party, all the people, and all the Army as one; the meticulous and broad-minded leadership that firmly grasps in one hand the overall tasks of the party and the state and effects miracles and innovations in all fields. This is the important nature of the great leader [yongdoja] Comrade Kim Chong-il's leadership.

Respected and beloved Comrade Kim Chong-il's revolutionary, leadership art is the model and culmination of the revolutionary, leadership art that the leader [yongdoja] of the people, the successor of the leader [suryong], should possess.

Thanks to the leadership of the great leader Comrade Kim Chong-il who possesses extraordinary organizational ability, driving force, and executive ability, numerous historic tasks arising in defending and inheriting the socialist cause are being brilliantly solved in our country. The political system of our own style and the political method of our own style built and established by the great leader Comrade Kim Il-song are being constantly consolidated and developed, our self-reliant, national economy is being firmly deepened despite the enemies' maneuvers to isolate and crush it, and great victories and progress are being effected in the march for the enrichment and development of our country and our fatherland. All of this is the brilliant fruit of respected and beloved Comrade Kim Chong-il's leadership.

The prominent leadership features of respected and beloved Comrade Kim Chong-il as the great guide [widaehan hyangdoja] of the socialist cause is giving firm belief in the future and faith in victory to the people struggling to revive socialism and several thousand millions of people of the world aspiring for socialism.

Respected and beloved Comrade Kim Chong-il is the father of the people who has personified the great leader Comrade Kim Il-song's reputation for his virtue and is the model of great men and revolutionaries.

When the great leader Comrade Kim Il-song embarked on the road of the revolution, he had already taken the ideology of treating the people like heaven as his motto, and he had embroidered the entire course of his revolutionary activity with the epic of noble love toward the people. The great leader's [suryong] philosophy of treating the people as heaven has become precisely respected and beloved Comrade Kim Chong-il's firm theory.

As the great leader Comrade Kim Il-song did, respected and beloved Comrade Kim Chong-il's struggle and activities have thoroughly been directed toward safeguarding the people's interests and toward promoting their welfare.

The slogan, "We serve the people," reflects the great leader [yongdoja] Comrade Kim Chong-il's noble people-oriented features. Upholding this slogan, the great leader Comrade Kim Chong-il has unfolded plans for the people's infinite happiness and eternal prosperity and is devoting his all to promoting the people's material and cultural life.

The respected and beloved leader Comrade Kim Chong-il's spirit of devoting himself to the popular masses, his people-oriented policies, and his warm love and care toward the people and households throughout the country have created absolute confidence in the leader [yongdoja] among our people.

Today, respected and beloved Comrade Kim Chong-il is enjoying the lofty praise as the model of great human beings [widaehan ingan]. The infinite love toward revolutionary comrades, the noble character of leading the destiny of revolutionary comrades in a responsible manner, the warmhearted character of treasuring human beings, and the infinitely, unworldly-minded and humble features are precisely great Comrade Kim Chong-il's prominent people-oriented features.

The respected and beloved Comrade Kim Chong-il is willing to walk even a 1,000-ri distance at night for comrades and people, always loves revolutionary songs, likes to have a good laugh, and is a sympathetic man. He is indeed a great human being. Being fascinated by these lofty, humanitarian traits of his, the revolutionary fighters are firmly united around the leader and all the people are firmly uniting together.

The respected and beloved Comrade Kim Chong-il is an outstanding military strategist who exactly inherited the great leader's [suryongnim] brilliant military wisdom and his majestic appearance. The socialist cause accompanied by the fierce struggle against imperialists can be defended and advanced only by a leader [suryong] who has both literary and military talents.

There have been outstanding theoreticians and geniuses of construction in the history of the working classes' revolutionary struggle. However, great Comrades Kim Il-song and Kim Chong-il are the only great men who have both literary and military talents and have led the great, social and economic changes and the Army-building cause along the single, ever-victorious road.

It is an honor for Korea to uphold the great leader Comrade Kim Chong-il, who has completely personified the outstanding, military wisdom of the great leader [suryongnim] who made brilliant, military miracles during the two most arduous revolutionary wars, as the supreme commander of our revolutionary Armed Forces.

Today, respected and beloved Supreme Commander Comrade Kim Chong-il has sternly smashed the imperialists' challenge to ruin the socialism of our own style, by using his iron-strong will and sagacious strategies, and is brilliantly solving all problems in implementing the cause of remodeling the entire Army after the chuche idea, with his seasoned tactics of leading and deploying the army.

Our People's Army is invincible because it is under the leadership of the respected and beloved comrade supreme commander who has surprising, military wisdom, keen insight, outstanding, military strategies and tactics, and bold willpower. Today, our revolutionary Armed Forces are greatly demonstrating their majestic appearance as loyal combat ranks who devote their lives to the fight for Supreme Commander Comrade Kim Chong-il, as the army of the party and the revolution which is filled with a revolutionary, military spirit and has established a firm, chuche-oriented army-leading system, as a matchless, strong army prepared with powerful offensive and defensive means, and as the genuine army of the people which has achieved perfect unity with the people and is beloved by the people.

We can defeat any strong, imperialist enemy as long as we have these one-a-match-for-100 revolutionary Armed Forces and the leadership of the beloved comrade supreme commander who is leading the People's Army along the ever-victorious road. Our people have cherished the greatness of Comrade Kim Chong-il deep in their hearts during the long course of upholding respected and beloved Comrade Kim Chong-il as their teacher, father, and leader [yongdoja].

The true key to the endless flourishing of our country, our fatherland, lies in the road of upholding the great leader Comrade Kim Chong-il. This is our people's invariable will which they learned from long experience in life. This faith and will has further been consolidated since the death of the great leader Comrade Kim Il-song.

In front of the leader's [suryongnim] bier, all our party members, working people, and People's Army officers and men solemnly and firmly made the pledge to uphold the great leader Comrade Kim Chong-il and to consummate the revolutionary cause pioneered by the great leader [suryongnim]. We should fulfill our lofty mission and duties as the fighters and pupils of the great leader [suryongnim], keeping this pledge to the last.

Absolute worship of respected and beloved Comrade Kim Chong-il is a basic trait all of us, chuche-type, communist revolutionaries, possess. The way to endlessly glorify the revolutionary fighters' valuable political lives endowed by the party and the leader [suryong] is to uphold and look up to great Comrade Kim Chong-il until the sun and the moon fade [haewa tari tahadorok].

As the anti-Japanese, revolutionary martyrs resolutely defended the great leader blocking the enemy's bullets with their chests, we should become true fighters and sincere disciples who ensure the respected and beloved Comrade Kim Chong-il's absolute authority and resolutely protect and defend him.

The great leader Comrade Kim Chong-il's leadership is the source of the ever-victorious advance of our revolution. Today, firmly established in the entire party membership and the entire society, is the revolutionary ethos and order of thoroughly embodying the great leader Comrade Kim Chong-il's ideology and leadership. This means that we have the firm guarantee that our revolution can advance forever along the road pioneered by the great leader Comrade Kim Il-song at the Paektu forest.

Under the leadership of the great leader Comrade Kim Chong-il, we should add luster, generation after generation, to the great ethos of our society in which the entire party membership, all the people, and the entire Army function as one.

All party members and working people should thoroughly implement the lines and policies of the respected and beloved Comrade Kim Chong-il, which exactly embody the great leader's ideology and will, and our party's decisions and directives with the spirit of absoluteness and unconditionality.

Today we have a sacred task of brilliantly realizing the great leader Comrade Kim Chong-il's plan to make our country, our fatherland, richer and stronger. Our country, our fatherland, is our people's true cradle of life and a benevolent motherly bosom for our people. We should carry out the revolution living and struggling in our country, and build a socialist paradise in the land of our fatherland.

We should all launch ourselves with burning loyalty and patriotic enthusiasm and create new miracles and innovations at the post entrusted to us. This is the way to make our country, our fatherland, richer and stronger as the great leader wished.

All party members and working people should thoroughly implement the party's revolutionary economic strategy and give full play to the superiority of our-style socialism. At the same time, in the general march today, we should highly display the revolutionary spirit of chuche Korea.

Today, an endlessly bright future is unfolded for our fatherland and nation. Mr. Kim Hyong-chik, the dauntless revolutionary fighter, put forth the idea of origin, and the great leader Comrade Kim Il-song, inheriting this noble will, achieved the country's liberation, and built our growing and prospering country.

Upholding the great leader Comrade Kim Il-song's teaching he gave in his lifetime, the respected and beloved Comrade Kim Chong-il unfolded his grand plan to make our country, our fatherland, richer and stronger, and is exercising his wise leadership.

Because we have the great leader, who firmly adheres to the relay baton of the revolution, at the supreme head of the party and the revolution [tanggwa hyongmyongui choego suwie], the future of our country, our fatherland, is brilliant. The revolutionary cause of our people advancing firmly united around the great leader Comrade Kim Chong-il will always be victorious and our country and nation will grow and be prosperous forever.

Leadership Attends Mass Gymnastic Display

SK1702003995 Pyongyang KCNA in English 2242 GMT 16 Feb 95

[FBIS Transcribed Text] Pyongyang, February 16 (KCNA)—The mass gymnastic display "We Will Always Hold Him in High Esteem" was performed by 10,000 students and school children of Pyongyang at the Pyongyang Indoor Stadium on Feb. 16 in celebration of the birthday of the great leader Comrade Kim Chong-il, the greatest auspicious holiday of the nation.

Appreciating the mass gymnastic display were Premier Kang Song- san and Vice-Presidents Yi Chong-ok and Pak Song-chol who are members of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK], Vice-President Kim Pyong-sik who is the chairman of the Central Committee of the Korean Social Democratic Party, Vice-Premier and Foreign Minister Kim Yong-nam and Chief of the General Staff of the Korean People's Army Choe Kwang who are members of the Political Bureau of the WPK Central Committee, other senior party and government officials, chief of the Pyongyang mission of the South Korean National Democratic Front Yi Chong-sang, Chief Vice-Chairman of the Central Standing Committee of the General Association of Korean Residents in Japan Ho Chong-man, president of the International Taekwon-do Federation Choe Hong-hui, advisor to the U.S. headquarters of the National Alliance for the Country's Reunification Sonu Hak-won and overseas Koreans staying in the socialist motherland.

Present there were the minister of federal capital territory who is a special envoy of the Nigerian head of state, the leader of the Seritham Party of Thailand who is heading the delegation of the party, the secretary general of the Central Committee of the October 8 Revolutionary Movement of Brazil who is heading the delegation of the movement, the general secretary of the People's Unity Party (Unionist) of Jordan who is heading the delegation of the party, the secretary general of the International Institute of the Chuche Idea on a visit to Korea, and foreign diplomatic envoys in Pyongyang and visitors to Korea.

The mass gymnastic display consists of "The Eternal Sun", "Blessed With Sagacious Leaders Through Generations" and "We Make a Pledge".

It impressively shows the deep thanks to and reverence for the great leader President Kim Il-song who defended the independence of the country and sovereignty of the nation and provided our people with the present-day boundless honor and worthy life by leading the Korean revolution to victory, and the unshakable will and faith that the leader will always be with us.

It presents on an epical canvas the boundless honor and happiness of our people and students and school children who hold respected Comrade Kim Chong-il as the great leader of the party and the state and the supreme commander of the revolutionary Armed Forces.

It powerfully demonstrates the indomitable spirit and revolutionary will of our people to fulfill the behests of President Kim Il-song to the letter, firmly defend and further consolidate and develop our-style socialism and wage a powerful struggle for the reunification of the country and the global independence under the leadership of Comrade Kim Chong-il.

South Korea

Minister Tok: Reactor Refusal To Block Accord

SK1702032295 Seoul THE KOREA HERALD in English 17 Feb 95 p 2

[FBIS Transcribed Text] Deputy Premier and Unification Minister Kim Tok warned yesterday that North Korea's refusal to accept South Korean light-water reactors will block the implementation of the Washington-Pyongyang nuclear framework agreement.

He said it would be more safe and better serve common national interests for nuclear plants on the Korean Peninsula to be of the South Korean type "developed to meet our conditions."

Kim made the remarks at a meeting of standing members of a presidential advisory council on unification affairs.

His remarks were made in response to a statement by a North Korean Foreign Ministry spokesman, which threatened Pyongyang would scrap the nuclear agreement with Washington if it is driven into accepting South Korean reactors.

The spokesman was quoted by Pyongyang's official Korean Central News Agency (KCNA) as saying North Korea would have nothing to lose even if the agreement were scrapped now.

He also blamed the United States for threatening to resume the "Team Spirit" joint military exercises with South Korea as a means of pressuring the North to accept the South Korean reactor type.

KCNA further quoted him as saying that if the resumption of the military drills is U.S. policy, it would "lead us to make up our minds in the other direction."

Officials in Seoul have not taken the statement as reflecting what North Koreans truly have in their mind.

A Foreign Ministry official rebuffed the statement as another "brinkmanship" negotiating tactic.

"North Koreans themselves would know better that they should accept South Korean reactors if the U.S.-North Korea nuclear accord is to be implemented," he said in a commentary.

Deputy Premier Kim told a meeting of senior local journalists last week that he believes North Korea has refused to accept South Korean reactors in an attempt to draw out more concessions from the United States.

He said that North Korea, suffering from a severe energy shortage, will not be able to reject the provision of new light- water reactors.

In his speech to the senior members of the Advisory Council on Democratic and Peaceful Unification, Kim also reiterated that the framework of a new peace system on the Korean Peninsula should be worked out through inter-Korean talks.

He said that if Pyongyang continues to demand a peace treaty with Washington instead of seeking reconciliation with the South, it will be interpreted as threatening, not promoting, peace on the peninsula.

As an initial step toward reconciliation and confidence-building, the premier urged South and North Korea to stop slandering each other.

He also called on the North to respond to Seoul's proposal earlier this month for the visit to Pyongyang by separated families in the South, the exchange of journalists and passage of South Korean businessmen through the truce village of Panmunjom.

At the close of the meeting, the senior council members adopted a five-point statement that is to be sent to the North Korean authorities.

They urged Pyongyang to abide by a basic agreement and an inter- Korean declaration on a nuclear-free Korean Peninsula signed in 1991; comply with what it has promised in the nuclear accord with Washington; show sincerity in getting separated family members reunited; push for open-door and reform policies; and respond to Seoul's offer to have government-level talks.

Prime Minister on Controversy Over Reactor Type

SK1702113495 Seoul YONHAP in English 1118 GMT 17 Feb 95

[FBIS Transcribed Text] Tokyo, Feb. 17 (YONHAP)—South Korean Prime Minister Yi Hong-ku said on Friday that North Korea would have to make an important yet difficult decision in several months on whether it would implement what it had agreed with the United States.

In an interview with Japanese correspondents in Seoul, Yi made the remarks in reference to the controversy that has developed over North Korea's refusal to accept the South Korean model of light-water reactors, the KYODO news service and other press medias here reported.

On the issue of establishing liaison offices between the United States and North Korea, Yi said there would be no significant problem in the exchange of liaison offices if North Korea faithfully implements the Geneva agreement and accepts South Korean-style reactors.

The prime minister also said South Korea patiently awaits North Korea's choice of a dialogue policy. "To this end, we in the South try to foster a favorable atmosphere," Yi aid.

Asked if the year's Team Spirit military exercise would be carried out, he said that so far nobody has said it would be held.

"I don't like to think things the way North Korea makes a negative decision," Japanese press quoted him as saying.

Seoul Said 'Patiently Waiting'

OW1702132795 Tokyo KYODO in English 1256 GMT 17 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 17 KYODO—South Korean Prime Minister Yi Hong-ku on Friday [17 February] said North Korea must eventually make an important decision on whether it will implement the nuclear agreement with the United States or return to square one.

In a press conference with Japanese journalists, Yi said, "The north will have to make an important yet difficult decision in the next several weeks or the next several months to choose between implementing the agreement or returning to the starting point" prior to the agreement.

Before last year's agreement, North Korea and the U.S. were at odds over Pyongyang's refusal to permit international inspections of its nuclear power reactor, suspected of providing plutonium for a nuclear arms program.

In the Oct. 21 accord, North Korea agreed to dismantle its graphite-moderated reactors in exchange for two light-water reactors, from which weapons-grade plutonium is more difficult to extract.

The U.S. has said the new reactors must be South Korean models, but Pyongyang has refused and insists that it has the right to choose which reactors will be installed.

Yi also said Seoul is patiently waiting for North Korea to choose to resume inter-Korean dialogue, adding, "To this end, we will endeavor to foster a favorable atmosphere."

The premier said nothing has been said thus far about staging Team Spirit, U.S.-South Korea joint military exercises, this year.

He added that he does not believe Pyongyang is inclined to make a negative decision, apparently referring to North Korea's threat to scrap the nuclear deal if the exercises are held.

Yi said there would be no problem for Pyongyang and Washington to set up liaison offices in each other's capitals as long as the deal is implemented and North Korea agrees to accept the South's reactor model.

Meanwhile, in Tokyo, a (North) Korean Central News Agency (KCNA) dispatch charged that the U.S. is trying to complicate the implementation of the nuclear deal by linking it to an inter-Korean dialogue.

"The U.S. is attempting to evade its responsibility for the obstacles it has laid to the implementation of the agreement by forcing unjustifiable preconditions on (North Korea) and to improve the image of the South Korean puppets," said the KCNA dispatch monitored in Tokyo.

Daily Against U.S. Firm Playing Mediation Role

SK1702130095 Seoul CHUNGANG ILBO in Korean 17 Feb 95 p 3

[Editorial: "A Pitfall of Theory on U.S. Enterprise's Mediation for Light-Water Reactors"]

[FBIS Translated Text] The North Korean Foreign Ministry threatened that if ROK-type light-water reactors are enforced, North Korea would scrap the North Korea-U.S. agreement. Amid this situation, a report noted that the United States is working on a compromise plan. In other words, since North Korea strongly opposed ROK's leading role, the United States intends to seek a U.S. business firm to play the role of mediator.

Quoting a U.S. Government official in Washington, a Japanese newspaper reported that a U.S. business firm will be placed in charge of the activities of the Korea Energy Development Organization [KEDO], which is supposed to take the initiative in the construction of light-water reactors, and will manage the overall project. Besides, this business firm, expected to play the role of manager, will discuss construction plans with both North and South Korea and will also participate in choosing subcontractors.

While watching negotiations held through various channels concerning the supply of light-water reactors to North Korea, some people took a skeptical view of the negotiations, stating that "the ROK will have to serve merely as a setoff while having to shoulder the expenses." In other words, they are worried that although the United States is giving lip service on the ROK-type reactors, emphasizing that there is no alternative plan other than the ROK- type for the construction of light-water reactors, the United States will, in the long run, put forward a "third method" with the pretext of North Korea's opposition. The basis of such worries is that the DPRK-U.S. Geneva agreement and KEDO regulations do not specify the ROK-type reactors.

Those who take a skeptical view even say that the interests between the United States and North Korea are served in some aspects with the rejection of the ROK's leading role. The reason for this is that in the event that the ROK plays the leading role, the scope of U.S. participation will be reduced. Unfortunately, the report of the Japanese press coincides with the forecast of those taking the skeptical view. When this situation actually takes place, the main contractor, who will undertake the construction after the agreement is signed between KEDO and North Korea on the supply of light-water reactors, will not be the ROK but the U.S. firm playing the role of mediator. If a mediator company is involved, tremendous additional service expenses would be required and unnecessary manpower would be added. As a result, overall construction expenses will increase. Besides, there is a possibility that the ROK will have to play merely the subordinate role because the U.S. firm would interfere in every aspect of the construction project. The ROK's intention to shoulder expenses means the offering of spot goods and service, including materials and manpower, not cash. Needless to say, we are not in the position of bearing the expenses, which we should pay with foreign currency, while being left out from playing the central role.

We should heighten vigilance against this phenomenon, although the government stressed that it has not discussed such issue with the United States.

Papers Analyze DPRK Refusal of ROK Reactors

SK1702115595

[FBIS Editorial Report] The following is a compilation of articles and editorials published by ROK vernacular newspapers on 17 February on North Korea's refusal of ROK-type light-water reactors.

The moderate TONG-A ILBO carries on page 3 an 800-word editorial entitled "Revival of Brinkmanship Diplomacy." The editorial analyzes the refusal as a negotiation tactic rather than an actual scrap of the North Korea-U.S. nuclear agreement. It says that what North Korea is afraid of is that "the influx of ROK technicians, who will design and produce the light-water reactors, might endanger its stability, turning the light-water reactors into a political weapon." The editorial states that North Korea's refusal is unreasonable because, as stated by the North Korean Foreign Ministry spokesman, North Korea accepted the ROK's loan and agreed to the ROK's construction of secondary facilities. The loan to be provided by the ROK is not in cash but in kind. It is natural that the prime in-kind lender provides the goods. If North Korea does not want the ROK-type reactors, it should have refused the loan from the ROK. The editorial blames the United States for North Korea's "risky deal" because the United States concluded the Geneva agreement with ambiguity. The editorial urges the United States to make it clear that there is no alternative other than the ROK-type light-water reactors.

The TONG-A ILBO carries on page 2 a 2,000-word article by Washington-based correspondent Yi Chae-ho noting a Japanese NIHON KEIZAI SHIMBUN report that the United States is considering to use a U.S. company as an intermediary in supplying ROK standard light- water nuclear reactors to North Korea. According to the article, the ROK Embassy in the United States stated "The report is a mere speculation" and "the ROK and the United States finalized their position that the reactors must be the ROK-type." However, the article notes that the ROK-type reactors are in fact 93 percent Korean and the remaining 7 percent of the core technology and parts still relies on the United States. The article also notes that two U.S. companies are already selected as technical and legal advisers to the Korea Energy Development Organization, and reports "the possibility of the use of an intermediary cannot be ruled out."

The TONG-A ILBO carries on page 2 a 2,000-word article by reporter Kim Cha-su on the ROK Government's view on North Korea's refusal. The article reports the ROK Government officials analyze North Korea's "blackmail" as a countermeasure to ROK and U.S. pressure on selecting the ROK-type reactors, and deem the refusal as a political and negotiation strategy. The article reports ROK Foreign Minister Kong No-myong said the North Korea position is not final because there are still many other details to be agreed upon, including the conditions of construction and reimbursement. Regarding the NIHON KEIZAI SHIMBUN report, the article quotes an ROK Government official as saying: "The ROK and the United States never discussed such an idea." The article reports the ROK Government will adhere to the position that the ROK-type is the only choice judging that North Korea is the one who will lose in the event the North Korea-U.S. agreement is scrapped.

The moderate HANGUK ILBO carries a 5,000-word article analyzing the U.S., ROK position and North Korea's intention. Washington- based correspondent Chong Chin-sok reports the U.S. Government considers the refusal is nothing new but "worries North Korea might withdraw the measures it has taken as the implementation of the Geneva agreement," including the suspension of refueling the five- megawatt reactor and the construction of the 50 and 200-megawatt reactors, and the close down of the radiochemical laboratory. The article reports that the United States appears to have no particular measures so far for the selection of the ROK-type reactors. The article expects the United States will take harder measures if future expert-level meetings fail to persuade North Korea to accept the ROK-type reactors.

In the same article, reporter Ko Tae-song writes the ROK Government is resolute in its position that "the ROK-type must be selected in name and reality." The article analyzes the government is taking a hard attitude because if the ROK does not take the leading technical and financial role, no other country can provide light-water reactors to North Korea. International public opinion is still in dispute over the supply of light-water reactors to North Korea in exchange of North Korea's nuclear program. The political reason for ROK's insisting on the ROK-type is because "the light- water reactors will serve as the breakthrough for the improvement of North-South relations and opening up of North Korea." The article urges the ROK Government to prepare measures for North Korea's ultimate refusal of ROK-type reactors and resumption of operation of nuclear facilities. The article expects the issue will be discussed when Winston Lord, U.S. assistant secretary of state for East Asia and Pacific Affairs, visits the ROK on 22 February.

The article finally analyzes North Korea's intention. Noting that North Korean Foreign Ministry spokesman called the ROK-type light-water reactors as "the wooden horse of Troy," the article reports ROK officials actually used the metaphor internally when the ROK decided to bear the cost for North Korea's light-water reactors. The article reports that the ROK Government officials view the North Korean remarks as a prelude to future conflicts over the implementation of the Geneva agreement and expects North Korea will gradually increase the level of threat until mid-April, then, present a new demand. The article quotes a high-ranking ROK official as saying: "We doubted North Korea would be satisfied with two light-water reactors. North Korea may ask for additional political gifts from the United States." The article interprets North Korea's refusal as an intention to arouse conflicts between the ROK and the United States. The article also points out that North Korea needs "a new diplomatic achievement" at the time of the completion of power succession.

The HANGUK ILBO carries on page 3 a 1,200-word editorial entitled "North Korea's Threat of Scrapping the Nuclear Accord." The editorial judges North Korea's rejection is nothing new but notes the gravity of the threat to scrap the nuclear agreement. The editorial analyzes the rejection as North Korea's reaction to the recent ROK-U.S. foreign ministers' meeting in Washington and ROK Foreign Minister Kong's remarks about the resumption of Team Spirit military exercise. The editorial also speculates that North Korea made such harsh remarks "to ask for additional $500 million to $800 million for training and the construction of substations." The article believes that North Korea would not actually scrap the North Korea-U.S. agreement, which is praised as a victory of Kim Chong-il, but would use the threat to gain advantages for future negotiations on light-water reactors. The editorial, however, urges the ROK Government to be prepared for the worst, in which the ROK's role is reduced to that of a subcontractor that builds a part of the reactors and does not require sending technicians to the North. The editorial urges the ROK Government to clearly notify the United States and North Korea that not a penny can be provided in case the ROK type is not selected.

The pro-government SEOUL SINMUN carries a 900-word article by reporter Yi To-un on ROK Government's analysis of North Korea's threat to scrap the nuclear agreement. Noting North Korea's statement allowing South Korea to bear a part of the loan and provide some subsidiary facilities, the article reports the ROK Government officials believe North Korea intends to arouse disagreement between the ROK and the United States, secure an advantageous position in future negotiations on light-water reactors, and object to the resumption of the Team Spirit exercise.

The article continues to report a contrary opinion posed by a high-ranking official of the ROK planning team for light-water reactors that the ROK-type reactors may not be the type of light- water reactors that North Korea could accept. Then, why did North Korea sign the nuclear agreement with the United States? In a recent seminar hosted by the Kwanhun Club, a senior ROK journalists club, Kim Tok, deputy prime minister and minister of the National Unification Board, said North Korea intended to use the gains in the early stage, including the heavy oil and eased sanctions, but did not give up on nuclear development. The article reports many people already worry that the agreement on light-water reactors may be delayed after the deadline of 21 April.

The left-leaning HANGYORE SINMUN carries on page 3 a 1,200-word article by Washington-based correspondent Chong Yon-chu. The article reviews the long process of nuclear negotiations and regrets that the exchange of hardline remarks, in which the North threatened to scrap the nuclear agreement and the South mentioned the resumption of the Team Spirit exercise, has made it even more difficult for the North and the South to draw up a compromise. The article states that it is natural for the United States to seek a third option using a U.S. company as an intermediary.

NODONG SINMUN Denunciation of U.S. Cited

SK1702095895 Seoul KBS-1 Radio Network in Korean 0920 GMT 17 Feb 95

[FBIS Translated Text] Rejecting the link between the implementation of North Korean-U.S. agreed framework and inter-Korean dialogue, North Korea insisted today that if the United States abrogates the agreed framework and chooses the other way, North Korea will also go its own way.

Referring to the fact that Secretary of State Christopher linked the implementation of the agreed framework with inter-Korean dialogue during a recently-held news conference, North Korea, in a commentary carried by NODONG SINMUN, denounced the United States for adding complexities by putting forth another artificial condition to the implementation of the agreed framework.

U.S. Further Eases Sanction Measures on DPRK

SK1602231195 Seoul KBS-1 Radio Network in Korean 2205 GMT 16 Feb 95

[Report by correspondent Cho Sun-hyong from Washington]

[FBIS Translated Text] The United States has made a final decision on measures to ease sanctions against North Korea according to the U.S.-North Korea agreed framework, and officially effectuated them on 16 February.

The officially effectuated measures are represented by completely revised articles on restrictions of overseas properties specifying sanctions against North Korea, and were published in the Official Gazette by the U.S. Department of Finance. This is the second step following the initial measures to ease sanctions on North Korea that were announced on 20 January.

Accordingly, U.S. citizens are now able to make transactions with North Korea according to the new regulations as well as tour North Korea in groups and conduct tourist business with North Korea, which was prohibited before.

This measure also enables U.S. media to establish branches in Pyongyang with the government's special approval, and enables their Pyongyang branches to employee North Koreans. Such items as compact discs, CD Roms, paintings, and news services have been added to information items allowed to be traded between the United States and North Korea.

Meanwhile, with the establishment of the U.S. and North Korea liaison offices near at hand, Chon Kyong-nam, vice chairman of the North Korean Committee for Aiding Overseas Compatriots—who is practically in charge of overseas compatriots—plans to visit major cities in the United States, including Los Angeles, in late February. This is attracting public attention. Vice Chairman Chon Kyong-nam and three other North Koreans will visit the United States from 22 February to 7 March at the official invitation of the U.S.- North Korea Exchange Center.

Activities of Pro-North Groups in U.S. Reviewed

SK1702100795 Seoul CHOSON ILBO in Korean 17 Feb 95 p 27

[Report by Kim Hyon-ho, Kim In-ku and Ku Song-chae, members of the North Korean Affairs team of the CHOSON ILBO political desk]

[FBIS Translated Text] With the progress in U.S.-DPRK relations, North Korea's advance into the society of Korean residents in the United States has intensified. Some people are even worried about the possible formation of a U.S. version of the [pro-DPRK] General Association of Korean Residents in Japan [Chongnyon].

Our authorities are already aware of the fact that several Korean organizations in the United States have already launched into active contact with North Korea. One such representative organization is the "North American Association for National Reunification." This organization is known to be arranging visits for separated families and businessmen to North Korea. There is a high possibility that this organization is playing a mediatory role for North Korea, and our government thus classifies it as an illegal organization.

In addition, "the Friendship Society of Koreans in North America" is actively conducting a considerable amount of pro-North Korean activities. This organization clearly pursues pro-North Korean lines, and even set up a funeral altar in its office when Kim Il- song died.

"The Koryo Chamber of Commerce and Industry," an organization of businessmen in the United States, doesn't have any pro-North Korean color. However, it has conducted activities to induce investment in North Korea since the signing of the U.S.-North Korea nuclear agreement. It is likely that this organization, which is headed by a certain Chong, is linked to North Korea through "the National Alliance for the Country's Reunification," an externally-oriented organization of North Korea's united front.

Choe Kye-ok, vice president of Los Angeles Council of the Advisory Council for Democratic and Peaceful Unification of Korea, revealed that in addition to these organizations, the "Chuche Idea Group in the United States" has also waged pro-North Korea activities such as the hosting of events to celebrate Kim Il-song's birthday before he died.

It has been learned that a certain Kim who is affiliated with the pro-North Korean "S" [English letter as published] newspaper, is responsible for making arrangements for the visit to North Korea by singer Roger Clinton, who is U.S. President Clinton's brother.

Authorities assess that in addition to the above activities by these organizations, North Korea carried out secret activities in an attempt to advance into the United States. Japan is believed to have been a major route for this advance. North Korea dispatched Chongnyon-affiliated Koreans of Japanese nationality to the United States and had them settle there and obtain U.S. citizenship, so that they could create an arena for legal activities.

Their activities are now said to be surfacing.

The possibility of a second Chongnyon being formed in the United States is not too great at present. This is because the organizing and financial power of Korean residents in the United States is much inferior to those in Japan and because the general atmosphere of U.S. society is opposed to communism. However, in the event that the United States and the DPRK establish diplomatic relations, the North-South schism will deepen in the society of Korean residents in the United States, and the likelihood of pro-North Korean forces consolidating will increase.

In a report at Chongwadae [presidential offices] on 14 February, Pak Sang-pom, secretary general of the Advisory Council for Democratic and Peaceful Reunification of Korea, said that "efforts will be focused on curbing North Korean attempts to expand its sphere of influence into the Korean society in the United States following the establishment of liaison offices between the United States and North Korea."

DPRK Party, Military Said To Control Economy

SK1702071995 Seoul CHOSON ILBO in Korean 15 Feb 94 p 27

[By reporters Kim Hyon-ho, Kim In-hwan, and Ku Song-chae]

[FBIS Translated Text] North Korean economic bureaucrats are reportedly being kept in check by the Workers' Party [of North Korea] and the military and are therefore assuming a very cautious attitude and limiting their role to handling only economic affairs when meeting with ROK businessmen.

This was disclosed by ROK businessmen who visited North Korea following the ROK Government's decision to facilitate North-South economic cooperation last November. Ten ROK companies obtained government approval for visits to North Korea, and seven of them have visited North Korea. Failing to meet with high-ranking North Korean dignitaries, the ROK businessmen discussed investments mostly with Yim Tae-tok, vice chairman of the Committee for the Promotion of External Economic Cooperation and president of the Korea General Economic Development Company (in charge of development of the Najin- Sonbong region). Yim Tae-tok is a typical North Korean technocrat familiar with capitalist economic theories.

According to businessmen who returned from North Korea, the military and the party exercise a strong influence on economic bureaucrats; offices in charge of economic affairs experience conflicts of interest; and economic bureaucrats seem to admit to their lack of maneuverability. In particular, when ROK businessmen noted that dialogue between North and South Korea authorities was necessary to activate North-South economic cooperation, they responded negatively by saying: "That is not a matter we may get involved in."

Nonetheless, the North Korean economic bureaucrats continued to try to convince the ROK businessmen that North Korea would definitely pursue an open-door policy and that Kim Chong-il was also of the same opinion. They also hinted that North-South economic cooperation had not proceeded smoothly because South Korean companies had failed to fulfill their promises. The ROK businessmen said that these North Korean officials would often call Pyongyang during discussions in order to make decisions. The ROK businessmen believe ROK companies are burdened because they must obtain approval from the ROK Government for any deals which they have agreed on with North Korea.

Daily Criticizes Government's Unification Policy

SK1702134295 Seoul HANGYORE SINMUN in Korean 15 Feb 95 p 5

[Article by editorial writer Kim Myong-kol from the "Morning Sunshine" column: "Tank Complex and United Front"]

[FBIS Translated Text] During the Hideyoshi invasion [by Japan in 1592], "muskets" were the weapons that diminished our Army's morale; and during the Korean war, North Korea's T-34 tanks displayed the might of such a kind. Due to the U.S. military circles' judgment that "tanks were not suitable for the topographical conditions of the Korean peninsula," the ROK Army was not equipped with a single tank at that time, nor did it try to have any kind of anti-tank weapons. Our soldiers were at their wits' end while just looking at the North Korean tanks coming forward in defiance of the ROK Army's artillery fire.

Since the ceasefire, the Army has kept its line of battle in good order, and has built unfamiliar-looking concrete structures here and there along the roads leading to the ceasefire line. This was aimed at building obstacles of deterring the advance of tanks in the event of an emergency. Concrete-reinforced revetments, which North Korea has publicized as "the Berlin wall of the Korean peninsula," were constructed at every point where it seems to be easy for tanks to penetrate along the ceasefire line. While the Army was busy doing this kind of work, I vividly remember that one Army general pointed out that one of the tasks, which the Armed Forces should overcome, is the "tank complex." He expressed his concern about the Army's moves to depend too much upon the idea of working out ways to deter the advance of tanks, at a time when the weapons systems and arts of war were changing every day.

I believe that it is worthwhile to compare, with such moves of the Army, the government's attitude of trying to work out ways to hold in check North Korea's tactics of united front. The government seems to pay little attention to the idea of making an analytical review of the "united front" tactic, while educating the young students as to how dreadful are the communists' "united front" tactics and while recklessly applying the National Security Law to frustrate such tactics.

It is an undeniable historic fact that in Russia, nine people gathered together in 1898 and won a revolution 19 years later. Only 12 people attended the national representatives congress of the Communist Party of China which was held in Shanghai in 1921. But, they eventually came to rule China in 1949. Lenin taught, and put it into practice, that "if you have three enemies, you have to overthrow one in alliance with the other two; overthrow another in alliance with one of the remaining two; and overthrow the last one in a one-to-one confrontation with him." This notwithstanding, it would be a fallacy based on an excessive simplification, if one did think that the success of Lenin and Mao Zedong was necessarily achieved only thanks to a strategic application of the united front tactics.

The United Front Strategy Called the Grand National Meeting

If one does not take into consideration the fact that the communization of Russia and China was buttressed by other various political and social factors, one cannot explain the fact that the communists' united front strategy failed to achieve successful results in all places alike. A communist regime was also established in the northern part of the Korean peninsula. But, such a regime did not have its root in the congress which was held in 1925 to found the Korea Communist Party attended by 18 people.

At the moment, I do not feel it necessary to present various pieces of evidence to prove that North Korea has applied its united front strategy to its southward policy. Last month, North Korea proposed that a grand national meeting be held as suggested by President Kim Il-song in 1973. As expected, the government rejected this proposal. As ever before, the government used as an excuse the outmoded logic that such a proposal was "a part of united front strategy." Moreover, no other, different opinion was put forth under the influence of the term "united front." I do not know whether, on the basis of its united front strategy, North Korea has put forth proposals for holding various meetings of difficult names, including a joint South-North meeting or a consultative meeting for the unification of the South and North; and has sent letters of invitation to leading South Korean figures in political and social circles. But, it is also distressing to see the ROK Government react to such proposals in the same way as ever before.

Meaning of the Declaration on the "Competition of Political Systems Has Ended"

In his address marking the anniversary of national liberation in 1994, President Kim Yong-sam declared that "the competition of political systems between South and North Korea has also ended." He added that this was proved by the history of the 20th century in which the experiments of socialism and communism had failed. But, he went on to say that "the North Korean authorities ought to give up their anachronistic strategy to communize the South," thereby exposing the limitations which showed that the government had failed to overcome the united front strategy.

If such experiments had ended, and the competition of political systems had also ended, then, our countertactics and response to this should also have been changed. The present time should be a time when such changed countertactics and response fill up the history of national division. Then, national unification can be achieved in the process of applying such changed countertactics and response. The government has once said that only when North Korea's tactics change, can the government's response be changed. This is a logic that only justifies a passive attitude of shirking the government's own responsibility, while forgetting about its task to achieve national unification. If North Korea is still adhering to the tactics and strategy, with which it has failed to achieve tangible results for 50 years, this means that North Korea is exposing itself that it lacks the force to realize national unification. I cannot help but give the same evaluation as the one given to the North to the government which has been sticking to the one and the same alternative.

I believe that the experience in the Gulf war has enabled the Armed Forces to break away from their own tank complex. Maybe my judgment is based upon my view of the bombers and helicopters—which are designed to attack tanks—and various kinds of electronically guided weapons, which have been introduced into our country; and also, I cannot see any particular new moves going on to map out ways to deter tanks at the moment. I wish that the government, too, will unload its burden of North Korea's united front tactics in line with the changed times.

Establishment of North Business Links Stalled

SK1702025095 Seoul YONHAP in English 0121 GMT 17 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 17 (YONHAP)—The promotion of South Korean conglomerates' business links with North Korea, invigorated earlier this year, has hit a snag due to the government's probe into alleged bribing North Korean officials by the businesses and the resurgence of the thorny North Korean nuclear issue.

Meanwhile, North Korea has virtually suspended attempts to push economic cooperation with South Korean enterprises due, among other things, to the revamping of its external economic cooperation structure.

Ssangyong, Samsung and Daewoo Groups, whose high-powered missions visited North Korea late last year and early this year, were to dispatch to the North working-level fact-finding teams this month under agreements reached with Pyongyang. But it is unlikely that proceedings will carry on.

The LG Group has been trying to send a mission to the North this month, but has yet to receive a response from Pyongyang.

The Ssangyong Group, whose mission visited the North late last year for the first time since the death of Kim Il-song, also has not received any word from Pyongyang concerning the dispatch of a fact- finding team in February.

The Samsung Group has all but given up plans to send a fact- finding team to the North in February as agreed upon with Pyongyang.

A Samsung Group official said Friday, "Enterprise activities for business links with North Korea have recently been shrunk by the authorities' investigation into the alleged practice of bribing North Korean officials."

"The atmosphere is being further frozen by the recent Pyongyang moves involving their nuclear framework agreement with the United States," the official added.

An LG Group official opined, "North Korea, engaged in revamping its external economic cooperation structure, has virtually suspended contacts for economic cooperation with South Korean enterprises.

"Unlike other groups, the LG Group is in the process of promoting the dispatch of a mission to the North. As negotiations have been suspended recently, we are not sure if our mission will be able to visit North Korea within the month."

Such situation applies to small- and medium-sized enterprises as well as business conglomerates. As a result, the promotion of inter-Korean economic cooperation might hibernate for the time being, business sources predicted.

Uzbek President Leaves After Three-Day Visit

SK1702112795 Seoul YONHAP in English 1114 GMT 17 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 17 (YONHAP)—Uzbekstani President Islam Karimov left the country Friday evening aboard a special plane winding up a three-day official visit to Korea.

Prior to his takeoff from Seoul airport, President Karimov called on President Kim Yong-sam at Chongwadae [presidential offices] to bid him a farewell and thank him for the warm hospitality accorded to him.

In Seoul, Karimov had a summit meeting with President Kim to exchange opinions on the Korean situation and major world developments. The two leaders also signed a joint statement calling, among other things, for expanded free trade and better environmental protection.

In other activities, Karimov talked with Deputy Prime Minister Hong Chae-hyong and business leaders to discuss Korean industries' investment in Uzbekistan.

Seoul 2d Largest Importer of Japanese Products

SK1702005895 Seoul THE KOREA TIMES in English 17 Feb 95 p 8

[FBIS Transcribed Text] At the turn of the New Year, imports from Japan increased drastically, making Korea the second largest buyer of Japanese goods in the world, following the United States last month.

Korea topped the list of importers in terms of import increase rates.

Even on New Year's Day, Korea was $552 million in the red in trade with the neighboring country, according to a Japanese Finance Ministry tally obtained by the Tokyo branch of the Korea Foreign Trade Association (KFTA) yesterday.

In January, Korea's imports from Japan rose 29.6 percent to $1,804 million putting it next to the United States which bought $8,232 million worth of Japanese products, up 5 percent over the same period last year.

On the other hand, Korea's rivals such as China, Hong Kong and Taiwan saw their Japanese imports decrease and Singapore recorded a mere 0.1 percent hike in imports.

Taiwan bought $1,537 million worth of goods from Japan last month, down 0.1 percent over the same month last year, while Hong Kong chalked up a decrease of 4.2 percent to $1,491 million and China saw a 23.7 percent one to $940 million, the tally showed.

Meanwhile, the nation's exports to Japan swelled 29 percent to $1,252 million, leaving it the third largest seller to Japan, following the United States and China.

During the same month, Hong Kong sold $218 million worth of goods to Japan, up 30.1 percent, while Singapore showed a drastic increase of 44 percent to $470 million.

Malaysia also ran ahead of Korea with exports of $824 million, up 36.3 percent, in terms of export hike rates.

The nation's import dependency on Japan was further accelerated largely by increasing purchases of plant in connection with factory automation.

Two thirds of Korean automation facilities come from Japan, according to a survey conducted by the Korea Productivity Center (KPC) and released to the press yesterday.

According to the poll, 65 percent of the 101 respondents in the manufacturing industry answered that they bought the facilities from Japan.

Of the remainder, 15 percent said that they had imported theirs from Germany, 7 percent from the United States and the rest from Italy, Sweden, Britain, Hungary and France.

The survey showed the urgent need for speedy localization of plant facilities which will substitute for imports.

The primary metal goods manufacturing industry is the area which showed the fastest automation of production lines at 56.7 percent, up 15.4 percent over last year's figure.

It was followed by the textile, clothing and leather (including shoes) industries which had a level of automation of 13.5 percent.

Plan To Adopt Coastal State Principle Denied

SK1702102195 Seoul YONHAP in English 0740 GMT 17 Feb 95

[FBIS Transcribed Text] Seoul, Feb.17 (YONHAP)—A Foreign Ministry spokesman denied Friday reports that South Korea is considering accepting requests by Japan to allow the Tokyo government to have the right to apprehend illegal Korean fishing boats in Japanese territorial waters.

"We've made no decision to change the current flag state principle to the coastal state principle, as demanded by the Japanese," said Mun Pong-chu, deputy director general of the Ministry's Asia Pacific Affairs Bureau.

"We are going to sign two agreements on extending the period on self-regulated fishing in waters between the two countries and on joint research of fisheries resources in the waters when South Korean and Japanese fisheries officials meet in Tokyo next Monday," said Mun who will head the South Korean delegation to the fisheries meeting.

The Japanese have consistently insisted that the current flag state principle governing illegal fishing on waters between the two countries be replaced by the coastal state principle, saying that the widespread illegal fishing in Japanese territorial waters by South Korean fishing boats drain fisheries resources.

Under the current flag state principle, Japanese Maritime Police cannot arrest illegal fishing boats brandishing Korean national flags.

"We need to conduct a joint survey of fisheries resources in waters between the two countries to verify the claims made by the Japanese," said Mun.

Mun said that he is aware of the international trend towards adopting the coastal state principle, but added "in 1965, when South Korea and Japan signed a fisheries agreement, we accepted the demand by the Japanese to adopt the flag state principle, although many Japanese fishing boats infringed upon our territorial waters."

At that time, the Japanese fishing boats could safely operate in South Korean waters under the protection of the agreement calling for the application of the flag state principle, according to Mun.

"Now they want to change the agreement based on their insistence for their benefit," said Mun.

The Foreign Ministry official said that his ministry will closely examine the result of the one-year joint research of the fisheries resources before holding another round of talks on the fisheries issues next year.

He also said that the government will closely check the actual number of South Korean fishermen illegally fishing in Japanese waters and find ways to persuade them to stop the offense, and claimed that the Korean Maritime Police have been checking the illegal fishing.

Japanese Prime Minister Tomiichi Murayama and his predecessor Morihiro Hosokawa have repeatedly raised the issue when they met with President Kim Yong-sam.

Kim Yong-sam Meets With PRC Women's Delegates

SK1602023995 Seoul YONHAP in English 0820 GMT 15 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP)—President Kim Yong-sam met with a five-member Chinese women's delegation Wednesday afternoon led by the president of the Chinese Women's Federation, Chen

Muhua, and exchanged views on ways to promote exchange programs for women's organizations of the two countries.

President Kim asked the Chinese delegates to play a role in the development of bilateral relations as well as in exchange programs and also expressed hope for the successful meeting of the fourth international women's conference to be held in Beijing in September.

The Chinese delegates came to Korea at the invitation of Second State Minister for Political Affairs Kim Chang-suk.

Chen is concurrently deputy chairwoman of the Chinese People's Congress' Standing Committee and is reputed to be the top Chinese woman leader who also served as vice premier of the Chinese State Council.

Foreign Ministry on International Personnel Center

SK1402121395 Seoul YONHAP in English 1054 GMT 14 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP)—The Foreign Ministry has decided to set up and operate a "Center on International Organization Personnel" under its United Nations Bureau with a view to helping more Koreans obtain jobs at various world organizations.

A ministry source said Tuesday [14 February] the center will collect and manage information on recruitment and other personnel affairs at international organizations and extend a helping hand to those Koreans wishing to work at world organizations.

The center, the source said, will furnish recruitment-related information through personal computer communications, publish a monthly bulletin on world organization personnel, and keep a list of would-be applicants for world organization duties.

In addition, the center will periodically give briefings to graduate school students on the personnel policies of various international organizations and finance overseas training of young people so as to expand chances for them to obtain duties at world organizations, the source said.

Accord Reached on Assembly Extraordinary Session

SK1702071895 Seoul YONHAP in English 0607 GMT 17 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 17 (YONHAP)—The National Assembly will convene the 172nd extraordinary session to last from Monday through March 7 to debate major national issues, as agreed upon at a floor leaders' meeting between the ruling and opposition parties Friday.

The bipartisan agreement was reached between Hyon Kyong-tae of the ruling Democratic Liberal Party (DLP) and Sin Ki-ha of the main opposition Democratic Party (DP) at the chairman's office of the National Assembly steering committee.

House Speaker Hwang Nak-chu will formally announce the special convocation Friday afternoon.

The schedule of the proceedings, agreed upon by the floor leaders, calls for the election of the vice speaker of the National Assembly and the steering committee chairman on the first day of the sitting, followed by the presidential speech on the next day.

The lawmakers are scheduled to interpellate the administration from Feb. 25 through March 3 and then to engage in committee-level activities for three days from March 4 before the parliament closes the special sitting on March 7, according to a tentative schedule.

Sources at the National Assembly said the presidential speech will be read by Prime Minister Yi Hong-ku.

The opposition DP's representative speech will be delivered by the party's supreme council member Kim Won-ki on behalf of DP chairman Yi Ki-taek, who refused to take the floor due to his resignation as a legislator, the sources said.

Detailed schedules will be made at a meeting between deputy floor leaders of both parties Friday afternoon.

In the forthcoming parliamentary session, lawmakers are expected to focus their debates on such issues as the extremely severe drought in the southern part of the country, government's measures on soaring prices, and financial difficulties involving small- and medium-sized businesses.

The parliamentarians are also expected to discuss the controversial issue of restructuring the country's administrative units, as its need was raised by some members of the ruling party.

Both parties are also moving to revise the National Assembly law during the upcoming session in an effort to reduce the number of standing committees to 16 from the present 17, by merging the construction and transportation committees into one panel.

In addition, the lawmakers are set to finish readjusting the electoral districts for the National Assemblymen, by mobilizing the advisory committee under the house speaker.

Defense Ministry Announces Power Downsizing Plan

SK1302102795 Seoul YONHAP in English 0800 GMT 13 Feb 95

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP)—The Defense Ministry announced Monday [13 February] a plan to downsize 9 to 20 percent of the administrative power of the three armed services and the ministry.

Under the plan, the ministry's Armed Forces Special Inspection Group will be dissolved and the directorate system of the Joint Chiefs of Staff will be reorganized into a general staff system. In addition, similar functions of the ministry, the Joint Chiefs of Staff and the three armed services headquarters will be merged into a single unified operation.

The surplus personnel as a result of the downsizing will be assigned to combat units and training schools.

The plan calls for a 9-percent cut of the ministry's work force and a 13-percent slash of the Joint Chiefs of Staff's employees.

The Army headquarters will cut 20 percent of its staff strength, the Navy headquarters 15 percent and the Air Force headquarters 11 percent.

Mount Kumgang Development Project Detailed

SK1702083995 Seoul CHOSON ILBO in Korean 17 Feb 95 p 1

[By reporter Kim Song-ku]

[FBIS Translated Text] Details of the Mt. Kumgang tourist development project currently being pursued by North Korea, have become available.

According to the "Mt. Kumgang Development Plan" which the CHOSON ILBO obtained 16 February, North Korea is planning the construction by 2004 of an international airport and port and harbor facilities, four golf courses, three skiing courses, and 36 hotels in the area of Mt. Kumgang and Wonsan, which will require an investment of $20 billion. North Korea plans to designate the Mt. Kumgang area as a special tourist zone for this and to establish a total 4,400 square kilometer (1.33 billion pyong) area covering Mt. Kumgang, Haegumgang, Oegumgang, and Wonsan as a free trade zone. The Mt. Kumgang International Group (represented by Pak Kyong-yun) which oversees Mt. Kumgang tourism, completed this master development plan in 1992 with the help of Rideer Hon and Ran [name as transliterated] Co., an investment consulting company in Hong Kong.

Hoping to attract 3 million tourists annually, North Korea is pushing ahead with a plan to build a new international airport capable of accommodating 300,000 passengers, at Kumnan, which is located halfway between Mt. Kumgang and Wonsan. North Korea is also to build new, 24,000-square meter pier facilities capable of handling three 5,000-ton ferry boats at a time, southeast of Wonsan Bay.

In addition, North Korea is to build 36 deluxe and first-class hotels equipped with casinos and hot springs in Wonsan, Kumnan, Sijungho, Samilpo, Onjongho, Chongsokchong, and Changjon, four 16- hole golf courses, and three skiing courses in Naegumgang, Sijungho, and Tongjongho.

In order to secure funds for the project, North Korea is to designate Wonsan as a duty-free zone to facilitate the inducement of foreign capital and joint ventures, and will give foreign investors the right to use land for up to 70 years, and benefits such as five years of corporate income tax exemption from the first year of profits, and 50-percent tax exemption for five years after that.

Burma

Defense Services' 'Just War' Against KNU

BK1702033295 Rangoon Radio Myanmar in Burmese 0415 GMT 16 Feb 95

[Unnumbered installment of an article by "a Karen national" from the 16 February issue of MYANMAR ALIN and KYEMON: "Which Way KNU?"]

[FBIS Translated Excerpt] General Maung Aye, deputy chairman of the State Law and Order Restoration Council and deputy commander in chief of the Defense Services, accompanied by Secretary-1 Lieutenant General Khin Nyunt, ministers, and senior military officials, began a journey to Karen State on 30 January 1995, three days after the fall of Manerplaw. Speaking in Pan-an, the capital of Karen State, Gen. Maung Aye called on the local people to work hand in hand with the Defense Services for peace and development in Karen State. [passage omitted on 30 January speech by Khin Nyunt and 3 February news conference by Defense Ministry]

The attitude of the Defense Services is clear. They have to attack and crush the KNU [Karen National Union], which is ignoring peace and is bent on the people's destruction. The Defense Services have made unprecedented concessions that could not be made by previous governments by signing peace agreements with the armed organizations. They have suffered and waited for the KNU for nearly three years. If the Defense Services continue to tolerate the KNU and its errant ways, they will not be performing their duty to the people. The Defense Services are waging a just war against the KNU. The Defense Services are fighting according to the wishes of the majority of Karen nationals and all indigenous people.

The attitude of the Western countries toward the KNU appears different, however. They view Nga Mya [derogatory reference to KNU leader General Bo Mya] as a hero of democracy and a savior of the minorities. They have forgotten that Nga Mya has committed many crimes, including murder and robbery, or else they pretend not to know about these things. They are applauding and encouraging Nga Mya.

Both sides suffered heavy casualties in a battle at Kawmura on 8 February 1995. Concrete bunkers in the KNU forward areas fell and an old teak house of Tun Hla was burned down by heavy artillery fire. Tun Hla prepared for retreat, but he stayed on. Meanwhile, 107-mm artillery shells and missiles [lei kwei kyi] fired from the eastern side of the Thaungyin River hit and injured those attempting to capture Kawmura. The shells were fired on behalf of the KNU from the country on the other side [Thailand]. They used heavy weapons.

When Htein Maung inquired about the situation, Tun Hla answered as follows:

—General, I can relax now that I have in my hand aerial photos and maps showing the position of the enemy's heavy weapons. I know all about the position and placement of the enemy's heavy weapons. We can fire back at them. It is amazing how our friends use high technology for reconnaissance of the enemy's heavy weapons and firing path.

This is nothing new. The high-quality lasers used by the Americans during the Iraq-Kuwait War were left in the country on the other side at the end of the Cobra Gold military exercises. These lasers have been brought to the border. The reconnaissance collected by these lasers is received regularly by Tun Hla:

—General, have you not done what you were planning to do? Our friends did it on our behalf on the eighth. If it has not been done, you will be resting in peace.

—Yes, on that day artillery fire coming from the eastern bank of the Thaungyin River split the enemy's commando unit in two and we annihilated the part of the unit that was left on our side.

Some international radio stations have long been claiming that artillery shells fired by the Myanmar [Burma] Defense Services have fallen on the country on the other side. The border committees of Myanmar and the country on the other side held a coordination meeting on 6 February 1995. The Myanmar side said it would take measures to prevent shells from falling on the country on the side and that if shells landed on the other side, the country on the other side should make contact immediately and fire smoke shells. On 8 February 1995, however, dangerous incendiary bombs were fired en masse from heavy weapons and missile launchers in the country on the other side without prior warning by firing smoke shells or establishing radio contact.

Their leaders claim that no support is being given to the KNU, except for humanitarian assistance. At the local level, however, there have been cases of support being given to the KNU. No matter how many cases there are of support being given to the thief, Tun Hla's situation is not easy. He lost many of his men in the battle on 8 February 1995 and hundreds were wounded. The death of Deputy Battalion Commander Than Maung was a great loss to Tun Hla. Than Maung was buried quickly at a Christian cemetery in New Wakha.

Then there is this unpleasant report regarding Phado Mahn Yin Sein, the officer in charge of Pa-an District, in the Bae Krao refugee camp. What actually happened is that Corporal Mauug Soe's group from the DKBA [Democratic Karen Buddhist Army] was in Bae Krao because they were contacted and called in by Phado Mahn Yin Sein. Maung Soe's group took Win Bo, a nephew of Phado Mahn Yin Sein; Jeffrey Win; and Maung Maung Aye away in a car. Major Pon Oh intercepted and ambushed the car on the way, the car overturned, and Maung Maung Aye escaped. Jeffrey Win fought back and tried to escape, but was shot and killed by the DKBA.

Phado Mahn Yin Sein and Win Bo went and paid obeisance to Myainggyingu Sayadaw [abbot] and drank water of allegiance and joined the DKBO [Democratic Karen Buddhist Organization]. This brought about the complete disintegration of the Pa-an District branch of the KNU Committee. [passage omitted]

Meanwhile, Nga Mya and his party left Phwebalu and arrived at the bank of the Salween River in the country on the other side. He had lost the timber smuggling posts on the western bank. Nga Mya made the cars turn back and proceeded south along the eastern bank of Thaungyin River. [passage omitted]

Nga Mya and his party arrived at (Ohn Hpa) region in the country on the other side, which is opposite the Mawkhee region and (Wawlethit) in Myanmar. Nga Mya and his party temporarily camped at Kanele and Htitu near the headquarters of the 6th Brigade, where Phado San Lin and the Central Committee members revised the constitution and regulations of the KNU. They also discussed leadership changes. The (?problem) is Nga Mya, who is very hot headed like the Bhrama. They discussed whether to keep him as KNU chairman or where they should keep him otherwise.

Meanwhile, U.S. Naval Attache Captain Terris Hanson sent a special messenger and inquired into the basic facts of the KNU issue and future intentions. On 11 February 1995, Nga Mya sent a reply to Hanson. Actually, Hanson already knew quite a lot about the situation because his wife had just returned from Manerplaw recently. She was placed under restriction [tar zi chin] by the DKBA because she was travelling along the Salween River in a motorized boat. Actually, Hanson did not have to ask Nga Mya. He could find the correct answer if he asks the followers of Myainggyingu Sayadaw.

Statement Criticizes Karen National Union

PK1702023795 (Internet) SEASIA Listserv in English 0023 GMT 15 Feb 95

[Unattributed statement forwarded to SEASIA Listserv from soc.culture.burma Newsgroup]

[FBIS Transcribed Text] 4,165 Kayins [Karens] have returned to Myanmar [Burma] from Thailand within the last week, and more are returning each day. Local authorities and Union Solidarity and Development Association (USDA) are providing them with food, clothing and other necessities, and assisting to settle them in villages in Kayin State.

They scattered to avoid the fighting when about 4,000 mutineers of the KNU [Karen National Union] formed the Democratic Kayin Buddhist Army and captured the KNU HQ at Manerplaw on 27.1.95. Among the mutineers are many Kayin Christians also. Both Buddhist and Christian Kayin Majority of the KNU have had enough of the leadership and luxurious life-style of former leader Bo Mya and his relatives who have many houses and business interests in Thailand .

Bo Mya and his clique failed to resolve the recent KNU mutiny because many remember too well the Bawtharaw execution in 1971. Then, Bo Mya personally shot and bayoneted the 10 Kayin leaders of a faction who came to Bawtharaw village for reconciliation. The Myanmar government has photos and documentary evidence. Some years later Bo Mya's KNU also murdered Bo Let Ya and other leaders of U Nu's group who were in alliance then with the KNU. That movement also collapsed. U Nu and his group returned to Myanmar soon after.

Bo Mya was a cook/table-boy to a British officer in the 1930's and served with the British special force 136 during the war against the Japanese. He belongs to the small extreme group of Kayins who refused to participate in democratic elections held by the British in April 1947 to determine Burma's Democratic future. They rebelled in 1949 against U Nu's democratic government: not for democracy or human rights, but to establish an independent Kayin State. They knew they had no historical or legal basis, but naively expected some British officers to reward them for their loyalty during World War II.

In recent years they were using the cloak of democracy and human rights to achieve the senseless ambitions which they still cling to. Their underlying aim was to created chaos and instability, and disintegration of Myanmar. This KNU fiction survived because of the substantial help they received from some well-funded NGO's and the two English-language newspapers in Bangkok. They failed miserably because history and truth cannot be supressed or ignored forever. The Myanmar Government urge some of the media to be more balanced and objective in their reports.

[signed] M.T. N(7 February 1995) [as received]

Article Says Karen Movement in 'Disarray'

BK1702072395 Bangkok THE NATION in English 17 Feb 95 p A6

[Article by Yindi Loetcharoenchok: "Embattled Karen movement in disarray"]

[FBIS Transcribed Text] The embattled Karen National Union (KNU), which lost its headquarters to the Burma Army last month shortly after the breakup of the 46-year-old ethnic movement due to an internal religious crisis, is still working out a thorough shakeup of its leadership and political and military strategy to cope with the Burmese junta's determined and aggressive policy to crush the guerrilla forces.

The loss of the 21-year-old Manerplaw headquarters, which had also served, since late 1988, as the stronghold of other Burmese pro-democracy organzations, and the emergence of the rival breakaway Democratic Kayin [Karen] Buddhist Organization (DKBO) have thrown the KNU into disarray and forced its leaders to step back and reflect on the causes and consequences of their failure to prevent the avoidable catastrophe.

While top KNU leaders are still trying to come to terms with the sudden turn of events, they sadly accept that the two incidents have resulted in serious political and military setbacks to their movement, which nearly ran aground after only two months of internal turmoil.

Although they remain adamant that the Burmese junta—the State Law and Order Restoration Council (Slorc)—is responsible in conspiring and instigating the religious strife inside the KNU, they acknowledge "the unpreparedness and mistakes" on their part in mishandling and "reacting too late" to suppress the sensitive Buddhist-Christian conflict.

They agree that they underestimated the delicate and fragile religious problems and "terribly regret" the use of arms and force to resolve the disputes.

For decades, the Christian-led senile KNU leadership has failed miserably to adapt to the fast changing global political environment and to address and cure several ills inside the organization, thus allowing the tumours to develop into an incurable cancer.

The "undemocratic rule" inside the KNU organization, its ineptitude in political maneuvering, media, and mass propaganda campaigns are some of the key shortfalls that have not been given proper or due consideration in recent years.

The KNU's unrealistic hopes for and reliance on promised external political and military support, which often turned out to be mere lip-service diplomacy, has prompted the group to pursue a rather "inactive defensive" political and military policy in dealing with its own faith and survival.

One of the most costly lessons, perhaps, was the KNU decision to defend its numerous static strongholds along the Thai border at all cost. The severe casualties and tremendous loss of military weaponry in the Sleeping Dog Hill battles fought as part of an attempt to defend Manerplaw about three years ago prompted field commanders and junior leaders to force the key leaders to abandon the "defensive military strategy" and resort back to their "efficient mobile guerrilla warfare".

Gradually exhausted with the unending and costly wars, rising younger pragmatic Karen leaders strongly feel that they are not trusted by their hardline superiors, who still live in the past legacy of mistrust and intransigence in their struggle for ethnic rights and autonomy, while the global political and security scenarios have evolved towards a peaceful solution to arms conflicts.

The new generations observe that their senior leaders "have not been flexible" when the situation has permitted them to pursue or probe the olive branches offered by the Burmese military rulers to end the five decades of ethnic unrest. The Slorc, which succeeded in striking a truce deal with about a dozen of Burma's armed ethnic insurgencies, has tried to woo the KNU, without much progress, to enter ceasefire negotiations.

The Karen rank-and-file also perceive that their leaders "are too obsessed or overwhelmed" with other duties and responsibilities entrusted to them by fugitive Burmese democracy groups, which have been living and taking shelter under KNU hospitality, and have completely overlooked or ignored their true cause and objective of fighting for their Karen homeland.

Moreover, they feel that their higher authorities have failed to resolve other pressing KNU agendas and problems at home including internal structural and policy reforms in light of constant changes of military and political scenarios inside the country, democratization of the decision-making process, and resolving the brewing dissatisfaction over the decades-old Buddhist-Christian differences and discrimination.

Several key guerrilla leaders acknowledged during interviews last week that although the KNU has a written rule of "collective leadership", the reality is that most decisions are still made by a few senior powers, particularly KNU President Gen Bo Mya, who retains the final say in all matters—political and military alike.

"Partly, it is our custom or tradition not to counter the elderly leaders' opinions or decisions. Yes, it is one of our biggest mistakes not to oppose what we believe is not right or practical, and then seeing things deteriorate," said one senior member of the KNU's 45-strong central committee.

While he and other central committee members countered the DKBO's accusations of KNU leaders' discrimination against the practice of Buddhist activities and the promotion of members of the KNU Buddhist majority to higher positions, saying that all the promotions are made through "secret votes", several Burma analysts, however, said "the system itself is not democratic enough to permit the secret vote a fair choice of candidates of promotion".

KNU Buddhist members and followers mainly junior field officers and frontline troops, feel they are unfairly treated despite the high risk to their lives on the battlefield, while the political and military policy makers enjoy a rather safe haven replete with leadership luxuries.

While KNU higher-ups have overlooked the thorny questions, the hardliners in the Burmese junta and regional army commanders who prefer military operations to peace efforts have exploited them to their utmost benefit.

The split inside the KNU and the subsequent sudden birth of DKBO and its military wing, the Democratic Kayin Buddhist Army [DKBA], are neither spontaneous nor coincidental. Immediately, the DKBO led by Buddhist monk U Thuzana, who has been accused by the KNU of being a Slorc spy, announced its allegiance and alliance to Rangoon and guided the Burmese troops to capture Manerplaw. They are currently assisting the Burmese troops in attacking Kawmura, the KNU's 101th special military unit, opposite Thailand's Mae Sot district of Tak.

"The use of force to suppress the Buddhist faction was the last straw that drove the group into open defiance against the KNU and into open cooperation with the Slorc," said one analyst.

The analysts believe the Slorc, which is throwing its full backing behind efforts to prop up the DKBO, will forcibly coerce the people in the Karen State to accept and support the DKBO as the ethnic representation of the Karen populace. The Slorc, they say, will probably use the Union Solidarity and Development Association, a nationwide mass movement of its own creation, to rally popular support to legitimize the DKBO.

Moreover, a group of eight DKBA forces, armed with AK47 rifles, M-79 grenade launchers and grenades, illegally sneaked across the Moei River into a Thai refugee camp last week to kidnap a KNU key civilian leader Padoh Mahn Yin Sein. The KNU believes Mahn Yin Sein, the administrative governor of Pa-an district and the most senior KNU Buddhist leader, will be forced to assume the leadership of the DKBO. The 55-year-old hostage is one of the seven delegates the KNU has designated to engage in preliminary peace talks with the Slorc.

Amid this chaotic situation, senior KNU leaders see an urgent need to hold "an emergency meeting" among themselves to assess the whole situation, to reform the organization and to outline new political and military strategies to deal with the threat to their survival.

They accept that a restructuring of the KNU organization, including changes of some leaders, is inevitable. They quietly acknowledge that some ageing top leaders, including Gen Bo Mya himself, who has been strongly blamed for mishandling the religious conflicts, will have to step down or give way and allow younger generations to assume responsibilities.

While they say the appointment of a new leadership rests on the decision of the meeting, which is to be held soon at a secret KNU location, it is highly possible that Gen Bo Mya, whose name has become an international trademark for Karen revolutionaries, and some other senile leaders "will be asked to accept an honorary position on a KNU advisory board," which is to be created.

Still debatable is who will take up the presidency of the beleaguered Karen movement. Some Burma analysts believe that Brig Gen Shwe Saing, commander of the KNU 6th Brigade, and Brig Gen Oliver, commander of the KNU 4th Brigade, are the two possible candidates for the paramount post.

Oliver, who controls territory covering the Mergui and Tavoy districts in Burma's southern Tenasserim Division, might opt out as he will be too preoccupied with the defence against the Slorc's imminent military offensive in his area, currently the main income- generating zone for the KNU, according to the analysts.

The analysts said the new KNU headquarters, probably a mobile unit, is likely to be located in the 6th Brigade area in Dyuplaya district.

Other urgent tasks that need immediate KNU attention and action are how to reorganize the Karen mass support, particularly from those in dozens of refugee camps in Thailand who have been shaken by the uncertainty inside the KNU.

Thai border and security officers have, since last month, detected an influx of Slorc and DKBA infiltrators, many of whom disguise themselves as Buddhist monks and illegally sneak into border camps to spread rumours and anti-KNU leaflets. The group has been urging and instigating the mainly-Buddhist refugees, who number about 70,000, to return to their homes in Burma and promising them that the Slorc will provide land, subsistence and other privileges.

The KNU, which has declared its readiness to engage in peace talks with the Slorc, might be forced to enter the talks with "a more softening stance" now that it has lost its considerable bargaining power after the two unfortunate incidents.

The guerrilla leaders will have no time to blame one another or to mourn their loss, but will need to immediately draw up a new political and military strategy as well as attract international attention and support in light of Burmese determination to wipe out their movement by sheer force.

The survival of the KNU also rests on more democratic decisions and pragmatic leadership who are ready to cooperate among themselves as well as with other armed ethnic and Burmese democracy groups who share the same aspirations for' peace and democracy in Burma.

Radio Reports Return of 5,061 Karen Refugees

BK1602163095 Rangoon Radio Myanmar in Burmese 1330 GMT 16 Feb 95

[FBIS Translated Text] About 4,000 armed personnel from the KNU [Karen National Union], the Karen armed organization which has been active along the border regions in Karen State, formed the Democratic Karen Buddhist Organization, DKBO, at Myainggyingu Village in Papun Township on 21 December 1994 after scorning the leadership of Bo Mya [KNU leader].

The KNU Central Headquarters of Manerplaw was captured in an offensive led by the DKBO. The DKBO family members in various KNU-controlled camps in the country on the other side [Thailand], Karen Buddhist families, and other national races refugees, after being persuaded by the DKBO—which is peace loving and has come to realize the genuine goodwill of the government—have been returning daily to Myainggyingu Village in our country.

So far, 5,061 returnees comprising 2,375 males and 2,686 females from 1,026 households have returned and have been properly resettled by the DKBO and local people in Myainggyingu Village.

Brunei, Malaysia & Singapore

Malaysia

Australian Minister Arrives for State Visit

BK1702091195 Kuala Lumpur Voice of Malaysia in English 0800 GMT 17 Feb 95

[FBIS Transcribed Text] Australian Foreign Affairs Minister Gareth Evans arrived in Kuala Lumpur today for a four-day official visit. This is the first visit by a top Australian official since the end of a minor diplomatic row between Kuala Lumpur and Canberra last November.

Evans said his visit would further strengthen the ties between both countries. The relationship between Malaysia and Australia are smooth, comfortable and no grouses. [sentence as heard]

He said this at the press conference at the Kuala Lumpur International Airport on arrival.

He was met by Foreign Minister Datuk Abdullah Ahmad Badawi and the Australian high commissioner to Malaysia, John Dauth.

Pollution Controversy With Singapore Clears

BK1702011295 Singapore THE STRAITS TIMES in English 16 Feb 95 p 2

[By Ismail Kassim in Kuala Lumpur]

[FBIS Transcribed Text] The misunderstanding between Singapore and Malaysia over the ship pollution controversy has been cleared up following assurances and explanations by the republic's leaders.

Johor Menteri Besar [Chief Minister] Tan Sri Muhyiddin Yassin and Minister of Science, Technology, and Environment Datuk Law Hieng Ding both expressed satisfaction that Singapore had not been dragging its feet over the matter.

Speaking in Muar on Tuesday, Tan Sri Muhyiddin said Prime Minister Goh Chok Tong had assured him that Singapore would do all it could to help Malaysia combat ship pollution in the Malacca Straits.

Tan Sri Muhyiddin, who met Mr. Goh at a Lunar New Year dinner at the istana [palace] last Saturday, added that it was not correct to say that Singapore had not been cooperative.

Datuk Law told reporters in Kuala Lumpur yesterday that a new understanding between Singapore and Malaysia had emerged following clarifications from his counterpart.

He said that [Singapore Environment Minister] Mr. Mah Bow Tan called him on the phone two days ago to explain a number of things relating to the pollution controversy.

"We hope to work close from now on to resolve pollution in the Straits of Malacca," he added.

Datuk Law, who accused Singapore of not doing enough to help Malaysia last week, said that it was all due to a misunderstanding.

He said it arose because the two countries had different laws which led to different procedures, the result being some discrepancies.

But Datuk Law hoped that the two countries could smoothen the procedures in future to enable them to work more closely together to combat pollution.

Contrary to earlier reports, he said he would not be attending the Malaysia-Singapore Joint Committee on Environment meeting tomorrow in the republic as it was being held at official level.

The meeting is likely to discuss the formulation of a standard operating procedure to deal with the disposal of sludge by tankers.

Last month, seven Singapore-registered vessels were among 12 detained off Tanjong Piai in Johor on suspicion of polluting Malaysian waters.

Six of the seven, including the MT [Motorized Tanker] Solo and MT Song San absconded subsequently, leading to Malaysian demands to Singapore to help apprehend them. When Singapore could not trace the vessels, Datuk Law accused the republic of not being cooperative.

He said Malaysian marine police had still been unable to locate the missing vessels.

De Klerk Renews Call for Indian Ocean Trade

BK1702023395 Kuala Lumpur UTUSAN MALAYSIA in Malay 15 Feb 95 p 18

[Report by Sabaruddin Ahmad Sabri]

[FBIS Translated Text] Kuala Lumpur, 14 Feb.—Malaysian investors have been urged to join hands with South African businessmen and to play a major role in efforts to tap a vast potential in the Indian Ocean region.

South African Deputy President F.W. de Klerk said that countries bordering on the Indian Ocean such as Malaysia, Indonesia, Singapore, India, Pakistan, Persian Gulf countries, and South Africa are offering untapped potential.

Apart from making up almost one-third of the world population, the region also contains vast reserves of oil and mineral resources.

He was speaking at a function called "Southern Africa and the Future: Prospects and Opportunities for Malaysian Businessmen" here today. The function was sponsored by the Malaysian South-South Association [MASSA] on the occasion of his three-day visit to Malaysia.

He said that South Africa is now in a more comfortable and better position to promote economic growth through a mixed policy after succesfully undergoing a democratic transition.

One of the ways to achieve economic growth will be the enhancement of foreign investment.

He said that South Africa not only strives for peace at home but also takes into account the prosperity of the entire southern African region, which has a population of 110 million, manpower, and natural resources.

De Klerk also gave his assurance that he has good working relations with President Nelson Mandela.

"We are cooperating to achieve the common objectives of the government, but we have different political parties and views on several major issues," he said.

The volume of Malaysian-South African trade from January to October 1994 amounted to RM [Malaysian ringgit] 305.34 million, with Malaysian exports exceeding its imports.

Meanwhile, MASSA President Tan Sri Azman Hashim said that the association will soon organize a trade delegation to South Africa.

He said that the visit will be aimed at further enhancing cooperation and investment between businessmen of the two countries.

MASSA has set up a consortium known as the Malaysia South-South Corporation Limited to act as a catalyst for trade with and investment in other countries.

The consortium has invested in Chile and Vietnam.

Editorial Praises Cooperation With South Africa

BK1702022995 Kuala Lumpur UTUSAN MALAYSIA in Malay 16 Feb 95 p 6

[Editorial: "Malaysian-South African Cooperation"]

[FBIS Translated Text] South African Deputy President F.W. de Klerk has offered his country as a gateway for Malaysian businessmen to penetrate markets in southern Africa as part of efforts to strengthen relations between the two countries.

Simultaneously, he hopes that Malaysia will help South Africa penetrate Southeast Asian markets in addition to learning from our country's experience as an example to develop and improve South Africa's economy.

South Africa has been severely affected by the impact of sanctions the international community imposed because of its apartheid policy before the current government of national unity came to power.

As a country that has just returned to the fold of the international community after being isolated for so long, South Africa badly needs all kinds of assistance and support from friendly countries, including Malaysia, which has several similarities in terms of a multiracial population.

In addition, Malaysia's success in building a peaceful and stable country politically, coupled with a strong economic growth since independence is brilliant and really worth emulating.

Realizing this fact, De Klerk hopes that his three-day visit to Kuala Lumpur will further strengthen relations between the two countries and enable them to mutually learn from their respective experience to further enhance their respective economies and national development for mutual interests.

De Klerk also hopes that the visit will enable him to see Malaysia's progress for himself and observe various potential areas that South Africa can take advantage of to contribute to its national development.

De Klerk has even frankly called on the Malaysian business community to further increase their investment in South Africa, emphasizing the current political stability under the government of President Nelson Mandela.

He predicted that his country will enjoy rapid development. In addition, he cited several other incentives, such as advanced financial and banking services and industrial progress in the country.

As a country that is actively helping rehabilitate post-apartheid South Africa, Malaysia has been cooperating with the government of national unity by promoting trade with and investment in the country since the trade sanctions on South Africa were revoked in 1993.

Johannesburg is now Malaysia's biggest trading partner in southern Africa, with bilateral trade totaling RM [Malaysian ringgit] 400 million in the first nine months of last year and expected to further increase this year.

We hope that the efforts of De Klerk and other South African leaders to develop their country and ensure economic prosperity will succeed. Thus, the people's bitter experience under the yoke of the apartheid government will not recur.

Commentary Urges Restraint, Caution on Spratlys

BK1702101295 Kuala Lumpur Voice of Malaysia in English 0810 GMT 17 Feb 95

[Station commentary]

[FBIS Transcribed Text] This week the disputed Spratly Islands came into the spot light over the Philippines' claim that China was beefing up its navy there. Naturally, tensions were high in the South China Sea as Manila sent jet fighters to the areas to increase surveillance. But the incident between the two also affects several other parties.

China has denied Manila's accusation saying it was expanding facilities for its fishermen. The true picture has to be determined but whatever it is, it is vital both countries remain calm and work to prevent any unthwart incident.

While the overlapping claims over the islands is a flash point in the region, sometimes it can be blown out of proportion. Still, except for Brunei, all other countries have stationed troops there. As such, the threat of military confrontation, whether by design or accident, is always there.

Some of the countries have been strengthening their claims through non-military means. They include passing maritime laws, signing of unilateral contracts with oil companies in disputed areas, and building of tourist resorts. All these fostering an assertion of rights demonstrate a reluctance to compromise and a desire to consolidate individual claim.

There is also a lack on consensus among the countries on how to tackle the issue. China is against referring the problem to the United Nations, they prefer quiet diplomacy. China, Malaysia and Indonesia have stressed a regional approach, possibly through ASEAN. Given this scenario, it should not be misconstrued that the South China Sea is an explosive area as some have suggested.

The encouraging note is that relations among the claimants have by and large improved over the years. Moreover, the contenders are careful not to allow the disputes to torpedo the hard work that has been put in improving overall ties among themselves.

China seems to have taken the first step towards compromise by declaring it wants a peaceful resolution to the conflict. Diffusing the current tension is very important. The truth is that no one would benefit if tensions run high in the South China Sea. The dispute must be managed properly, otherwise, it might not only hurt the claimant states but also invite the interference of non-claimant states, thus complicating the issue further.

The countries should keep in mind [word indistinct] to renounce the use of force and instead use dialogues and peaceful means to find a settlement. It is of paramount importance for the troops stationed at the Spratlys not to be seen to be engaged in provocative maneuvers to strengthen their claims. Joint explorations of its resources should be seriously considered. It goes without saying that restrain and caution should be the order of the day. Southeast Asia has suffered enough in the past and the last thing the region needs is another military conflict—it should be avoided at all costs.

Paper Reports on Interview With General Borhan

Urges Army Man for Top Post

BK1702110495 Kuala Lumpur NEW STRAITS TIMES in English 30 Jan 95 p 7

[FBIS Transcribed Text] Kuala Lumpur, Sun.—General Tan Sri Borhan Ahmad does not think it is timely yet for Malaysia to appoint its chief of air force or navy as the Chief of Defence Forces, the country's number one military post.

The outgoing Chief of Defence Forces, in an interview with BERNAMA today, gave several reasons why he thinks the tradition of appointing a general from the army to the post should be maintained.

Uppermost is that in countries where chiefs of services other than the army get appointed to the post, the appointee is a non- executive and mainly responsible for administration or ceremonial purposes.

"The Chief of Defence Forces in Malaysia holds executive functions. I am holding an executive function. For instance in a war, I am expected to command.

"For example in Pakistan they have the joint chief of staff committee under a chairman. The chairman of the joint chiefs of staff is non-executive. In my case, I am the chief (panglima) of the armed forces, I am not the chairman," he said when asked about a proposal mooted at the Defence Ministry-level to enable chiefs of the air force or navy to be appointed as Chief of Defence Forces in the future.

Borhan, who retires tomorrow after 37 years of service—the last one year as Chief of Defence Forces—said for the proposal to be feasible, there ought to be a change of designation of the post and a revamp in the training doctrines.

But Borhan's strongest argument is this—Malaysia's defence strategy is land-based and to be an effective Chief of Defence Forces, one has to understand land defence strategy.

"I believe that ultimately it is the man with the rifle and bayonet that will be able to defend the land territory or hold the ground. Losing a chunk of landed territory is losing a country," he said .

He said in Malaysia's defence set-up, the air force and the navy are not only complementary in nature but also late-comers compared to the army.

Taking the air force as an example, he said: "The air power depends on what you can deliver. You can have any amount of aircraft but if the radar is knocked out, nothing in the command system moves... if there are pot-holes in the runway, the aircraft cannot take off."

Borhan, who said he probably has read more military books "than anybody else in the world" added that in all wars "it's the army that finally wins the battle".

On training, he said the air force or naval chief could over time be appointed to head the armed forces with a change in the training system.

At present, while the training in the army incorporates both air and naval aspects, that for the air force or navy does not include the land defence strategy.

In a number of countries, their military officers go through the same kind of training together all the way up to the highest level.

This enables their air force or naval officers, for example, to be appointed to head the area command such as the Northern or Eastern command, which may not necessarily be headed by an army general like in Malaysia.

"At present, we in the army understand the air force and navy better than they understand us," he added.

Asked if as an alternative, both the air force and naval chiefs should be upgraded to four-star general instead of being three-star as at present, Borhan replied: "What is the rationale apart from giving more pay?"

But he was quick to add: "I have got no grudges against them. They can have another star. But if you are talking of added responsibility, Singapore has a bigger air force than Malaysia but its Air Force Chief is only two-star. And in the case of Brunei, its Armed Forces Chief is only two-star.

"But of course, honestly speaking, what you take home at the end of the day is also important. When you retire you look forward to a slightly bigger pension...it is very motivating indeed."

Summing up his military career, he said: "It's been a very satisfying 37 years. Of course, one year as Chief of Defence Forces is rather short to see all my plans implemented, but that is the reality of the service."

Admiral Criticizes Borhan Remark

BK1702111495 Kuala Lumpur NEW STRAITS TIMES in English 11 Feb 95 p 9

[Article by Vice Admiral Tan Sri Mohamed Shariff Ishak, chief of Royal Malaysian Navy]

[FBIS Transcribed Text] Following the pre-retirement interview given by former Chief of Defence Forces Jen [General] Tan Sri Borhan Ahmad to BERNAMA and as reported by your paper on January 30, I am compelled to write in order to clarify and, in certain cases, correct some of his misleading or incorrect statements.

It is not my intention to conduct a debate about the appointment of the Chief of Defence Forces through the media but, considering the potentially damaging long-term effect not only locally but also internationally of what Borhan has said, I have no other recourse for clarification except through the media. I am extremely saddened at being forced to discuss an issue which ought to have remained within the confines of the Ministry of Defence.

Several facts and realities have to be clarified.

Firstly, his semantics on the terminology and responsibilities of the job of Chief of Defence Forces could easily mislead those unfamiliar with military jargon. In a democratic society, whether one is called the Chief of Defence Forces, Chief of Defence Staff or the Chairman of the Joint Chiefs of Staff Committee, it is undeniably inherent that one's primary function is in an advisory role to the Government.

Any other notions of power or importance attached to the words "command" or "executive" are purely products of personal perceptions which in reality have an insignificant influence on the manner in which real command and control are exercised over the military.

Whilst it is accepted that an understanding of land defence strategy would certainly contribute towards one's potential effectiveness as a Chief of Defence forces, it is by no means the sole determinant of effectiveness. If at all, a deeper understanding of the importance of naval and air strategic powers would be a more important influence on one's potential effectiveness.

The claim that Malaysia's defence strategy is land-based does appear to be a weird understanding perhaps among an odd few which certainly does not include me. The very sensitive nature of this subject does not readily lend itself to mere rhetorics founded either upon partisan thoughts, or expediencies of self-preservation.

Indeed a more balanced force structure development of the Malaysian Armed Forces pursued by the Government over the last few years clearly suggests that a predominantly land-based defence strategy as claimed by Borhan, could well be only etchings of our anti-insurgency history.

I would not dispute Borhan's claim that "ultimately it is the man with the rifle and bayonet that will be able to defend the land territory." Indeed that ought to be so because that is the nature of the army's vocation. However, in modern times protection of sovereignty and territorial integrity goes well beyond the very land we are supposed to defend.

Refusal to acknowledge the important contributions of the navy and air force, particularly for a maritime nation like Malaysia, is a dangerous notion to cultivate. It smacks of a shallow knowledge of modern warfare.

While I am in no position to speak for the air force, I am only too painfully aware of the extremely heavy demand placed upon naval officers in their training before achieving even a minimum level of professional competence.

In their basic training and throughout the span of their career, they are given exposures to the roles and functions of the other two services to the extent of developing a sufficient working understanding of them. These exposures are by no means deep enough or thorough enough for me to claim that naval officers have a better understanding of the army and the air force than they do of us.

With proper staffing and expertise back-up, I am confident that naval officers would not find it too difficult to handle the Chief of Defence Forces appointment.

Clearly I do not see any need for the kind of training rigours that Borhan envisages as a prerequisite for naval and air force officers to qualify for the armed forces' top job.

One other excuse cited by Borhan on the need to retain the armed forces' top job exclusively for the army was simply that the navy and air force were late comers into the game. Surely it is utter absurdity to claim perpetual ascendancy solely on account of chronological coincidence!

The entire nation is on a massive scramble for new technologies, accepting in the process the necessary adjustments in mentality and approaches to the manner in which things are organised and done.

The armed forces too are not exempt from the impact of technological and other socio-political changes. A frozen mentality is clearly prejudicial to its dynamic, orderly and meaningful development.

Borhan's stand on the upgrading of ranks for the naval and air force chiefs was baffling as the comparisons drawn for it were superficially selective. After his years of service he has failed to recognise the added responsibilities of the two incumbents.

Comparisons of military organisation and hierarchical structure between nations are inherently difficult as a result of differing perceptions and priorities. His convenient choices for comparison of Singapore and Brunei, as opposed to some other ASEAN countries, not only lend little weight to his argument but also betrays a hidden agenda.

I should also like to reaffirm that I personally have no ambitions of vying for the post of the Chief of Defence Forces, but purely from the professional viewpoint I have to insist that in our management of change we must be guided by honesty, fairness and moderation.

Finally while the Government shall in all its wisdom decide on this matter, my successors would continue to ensure that the Royal Malaysian Navy stands ready to discharge our national obligations under any Chief of Defence Forces, even if he is only a "better read than anybody else in the world" general.

Cambodia

Ranariddh Suggests Japan Manage Aid Projects

BK1702062495 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 17 Feb 95 p 2

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Cambodian Government, said that before giving aid to Cambodia, donor countries—especially Japan—should choose their own projects and pay for them themselves without giving financial aid to the Cambodian Government.

Prince Krompreah Norodom Ranariddh made this remark to the Council of Ministers cabinet meeting on the evening of 14 February following his meeting with Masato Kitera, head of the Japanese Foreign Ministry's branch for cooperation and unconditional aid. He was referring to Masato Kitera's advise that before conducting any development projects or construction plans, the Cambodian Government should first develop clear and specific blueprints because Japan is not just helping Cambodia; Japan gives aid to many other countries. Therefore, there must be thorough consultations before starting any project. It must first be determined whether it will really benefit Cambodia's development.

In his remarks, the prince went on to say that if Japan wants to help Cambodia with any project, Japan should consult with Cambodia first. Once there is agreement, Japan should choose a contracting firm and manage the money itself. It should not give the money to Cambodia for fear that Cambodians might embezzle it.

Therefore, Japan should do what it did in the past when it helped build the Chrouy Changva Bridge and Route 6A. At that time, Japan picked its own construction companies through bidding and paid for the projects itself. Japan should continue that practice, with the Cambodian side acting only as an inspector to verify that all technical aspects comply with the agreement's plans.

The prince stressed that he made the proposal because he did not wish to hear donor countries say that Cambodians were mishandling or embezzling their money.

The prince also requested that Japan continue to help build the Prek Thnaot Dam, which is an important part of agricultural development of the three provinces of Kandal, Kompong Speu, and Takeo. The Prek Thnaot Dam is vital for both flood and drought prevention. Japan has demanded that Cambodia pay all its debts before it will allow Cambodia to borrow more.

Mr. Kitera agreed to convey the proposal of Prince Krompreah Norodom Ranariddh, the first prime minister, to the Japanese Government for consideration on future aid to Cambodia.

He also revealed that a Japanese investment delegation will visit Cambodia soon to study investment possibilities in this country. Another Japanese trade delegation will come to Cambodia after that to expand trade relations between the two countries.

It should be noted that on 15 February Masato Kitera also had an audience with Samdech Second Prime Minister Hun Sen. The latter urged Japan to support the Royal Cambodian Government's call for maintaining ICORC [International Conference on the Reconstruction of Cambodia] as a political reminder to the international community to keep paying attention to Cambodia and not forget about Cambodia.

Joint Commission With Thailand Established

BK1702061995 Phnom Penh AKP in French 0403 GMT 17 Feb 95

[FBIS Translated Text] Phnom Penh 17 Feb (AKP)—The Royal Government of Cambodia [RGC] has set up a commission for economic, social, scientific, technical, and cultural cooperation with the Kingdom of Thailand.

This decision was approved on 7 February by the two prime ministers of the Royal Government, Prince Krompreah Norodom Ranariddh and Samdech Hun Sen.

The commission is led by the Ministry of Foreign Affairs and International Cooperation and has 20 members from various services and ministries, including the Ministries of Defense, Interior, Finance, Tourism, and the Cambodian Development Council.

This organization's mission is to coordinate cooperation activities, determine priority issues, and submit new projects to the Royal Government.

Council of Ministers Debates IMF Credit, Debt

BK1702062595 Phnom Penh AKP in French 0405 GMT 17 Feb 95

[FBIS Translated Text] Phnom Penh 17 Feb (AKP)—The Council of Ministers of the Kingdom of Cambodia [KOC] on 13 February held a meeting chaired by Samdech Hun Sen, second prime minister of the Royal Government.

The agreement between the KOC and the World Bank on a credit for technical assistance; the issue of Cambodia's past debt; and a draft royal decree on the new status of the CMAC [Cambodian Mine Action Center], a Cambodian organization for demining set up in 1992 by Cambodia's Supreme National Council, were the focus of the meeting.

The Royal Government unanimously approved the request to the National Assembly to ratify the agreement on a credit from the World Bank concerning a technical assistance project.

The meeting's participants asked foreign creditors for a reschedule of the debt as well as a reduction of interest rate.

The Royal Government will send a delegation to Paris to discuss this problem.

Ministers were unanimously in favor of a draft royal decree changing the status of CMAC. Since its main task is the coordination of demining activities, the decree stipulates that the CMAC should not engage in any commercial activities.

The CMAC role should not go beyond the population's sensivity to the danger caused by mines, the marking of mine fields, and demining, including the destruction of all explosives and demining training.

Latest KR Defector 'Less Than Cooperative'

BK1702081595 Phnom Penh PHNOM PENH POST in English 10-23 Feb 95 p 3

[FBIS Transcribed Text] A senior Khmer Rouge [KR] political official has quietly defected to Phnom Penh, bringing with him a wealth of rare information about the state of the leadership of the secretive organization.

Sar Kim-lmut, who was in charge of finances for the Khmer Rouge and the highest ranking defector since the Khmer Rouge were ousted from power in 1979, left the Khmer Rouge jungle headquarters near the Thai border in November and is in Phnom Penh, THE POST has learned.

But he has refused government requests that he make a public announcement of his defection, and suspicious Cambodian government officials say he has been less than cooperative with government interrogators. Foreign embassies have been denied repeated requests to meet the leader.

Nevertheless, those who have talked to him in Phnom Penh, including other Khmer Rouge defectors, say that he paints a picture of a demoralized leadership lacking cash, ammunition, and suffering from a halt in covert Thai assistance that has crippled the organization in key ways.

While the Khmer Rouge have been hit hard by low level military defectors in recent months, little is known about the current thinking and state of the top leadership in what intelligence analysts say is one of the most successfully secret organizations in the world.

Both Cambodian government and Khmer Rouge sources confirm that Lmut walked out of the jungle after securing an agreement with the government for safe passage. Cambodian government sources confirm Lmut demanded that his defection not be coordinated through the government army, which he contended was riddled with Khmer Rouge operatives.

But since arriving in Phnom Penh, suspicious and frustrated senior government sources say Lmut is sharing little that he knows.

Sources close to the Khmer Rouge say that Lmut likely left with the permission of Pol Pot, joining a growing list of intellectuals who have quietly left the radical faction in recent years. They say that Lmut will likely not do anything to harm the Khmer Rouge, is not sympathetic with the government, and is unlikely to spill important secrets to the Cambodian government.

According to sources close to the Khmer Rouge, Thailand recently informed the faction that in the event of a government military offensive this year, Thailand will not let Khmer Rouge fighters or civilians cross the border for sanctuary. "Intellectuals are fearful they cannot escape, and will have no where to flee," said one source close to the Khmer Rouge.

A number of senior political cadre, mostly intellectuals who served in diplomatic posts around the world until last year, are now forced to live under difficult jungle conditions. Several have had to pull their children out of foreign schools to return to the malarial and land mine infested jungles after Khmer Rouge embassies were shut down last year.

Thailand's crackdown on support for the group also has made life difficult for many Khmer Rouge leaders who were used to free access to Thailand, before living in villas at secret bases there.

For the hard-core jungle fighters the transition since the Thai crackdown has been much easier than for many of the diplomatic elites. Some have moved from diplomatic compounds in the West to jungle huts now under attack from government forces.

But while Lmut, a French educated economist who joined the Khmer Rouge in the early 1970s, has refused to give important details of Khmer Rouge bank accounts and assets, he has painted a picture of an organization confused and without direction, according to those who have spoken with him in recent weeks. Importantly he spoke of a rise in influence of hardline military elements favoring armed struggle, with moderate elements who had negotiated the signing of the Paris Peace Accords in 1991 increasingly marginalized .

According to both government sources and others who have met him in Phnom Penh, Lmut says that the Khmer Rouge are now desperately short of money and ammunition and that the Thai policy to refuse assistance to them has deeply isolated the group, hindering communications, logistics and supplies to the string of jungle bases along the 800 kilometer Thai border.

Diplomatic sources say that Lmut paints a picture that is consistent with sketchy intelligence that the Thai crackdown has severely affected the group.

Khmer Rouge radio has been broadcasting considerably more virulent messages in recent months that analysts say represent a policy shift away from a political solution and a return to warfare.

Recent changes in their official radio broadcasts calling for people to make "pungi sticks" indicate ammunition problems, and increased terrorism and a new political line calling for assassination of village leaders and burning down villages represent new and increasingly desperate tactics that abandon a previous hearts and minds strategy and indicate "policy confusion" at the top, according to some analysts.

Lmut spoke of a hierarchy isolated and demoralized, with Pol Pot and military commander Ta Mok in firm control over the organization. He said that both Ieng Sary, the former Foreign Minister, and Nuon Chea, the Khmer Rouge chief theoretician and number two on the standing committee, are very sick and no longer active.

Khmer Rouge nominal President Khieu Samphan lacks any real influence now that the Khmer Rouge have effectively abandoned political dialogue and returned to guerrilla warfare, he told one interviewer in Phnom Penh.

"We are not talking anymore about a political solution, only armed struggle," he was quoted as telling government debriefers, "but nobody believes anymore about armed struggle."

Diplomats and intelligence analysts in Phnom Penh say that the influence of a group of about ten intellectuals that remain in the jungle is waning, and that hardline military commanders are in control.

At least 14 intellectuals have quietly left the Khmer Rouge since the 1980's, most living quietly in exile in France. But what the Cambodian government wants most to know are the whereabouts and system of Khmer Rouge assets and Lmut remains closed mouth. As chief of the organization's finances, he is said to know where the Khmer Rouge assets are. They are said to have bank accounts in Beijing, Hong Kong, Switzerland, and Bangkok, but Lmut has claimed ignorance and says the organization is virtually broke, according to his interrogators.

"He's lying to us," said one senior government official. Other sources close to the Khmer Rouge say they believe the Khmer Rouge still have millions of dollars secreted in banks.

Also interested are a number of foreign governments, which would likely push to freeze any assets and bank accounts that could be located. Such a move, on top of the crackdown by Thailand on aiding the group, would be a potent tool to cripple the organization.

But while life is increasingly difficult for the Khmer Rouge and particularly for intellectual political cadre, some analysts say that it is much too early to count out the radical faction.

Many of the cadre have lived in the jungle their entire lives. Pol Pot and others fled to the jungle in 1963 where, except for their three and a half years in power in the late 1970s, he has remained.

While more than 2,000 Khmer Rouge rank and file soldiers have defected in recent months, mostly tired of war and life in the jungle, they are primarily from fringe areas with tenuous connections to leadership while hardcore military at the safer rear [sentence as received].

Indonesia

Commander Cites Foreign Support for Separatists

BK1702072195 Jakarta ANTARA in Indonesian 0310 GMT 17 Feb 95

[FBIS Translated Text] Jayapura, 17 Feb (ANTARA)—Major General I. Ketut Wirdhana, the 8th Trikora Military Region commander, has admitted that certain groups in the Netherlands and Sweden are connected with the GPK's [Security Disturbance Movement] activities in Irian Jaya.

Responding to questions from reporters in Jayapura on Friday, the regional commander explained that the activities conducted by the GPK in Irian Jaya have received support from certain groups in the Netherlands and Sweden through special channels. He did not specify the type of assistance provided by the groups.

The commander said there has been communication between the GPK, which operates in Irian Jaya's jungles, and their supporters in the Netherlands and Sweden, but not through direct communications because the GPK in Irian Jaya does not have modern communications equipment for that purpose.

He said the GKP's strength is now meaningless and it would be better for their remaining members who are still in the jungle to return to Irian Jaya society and face a brighter future rather than hiding in the jungles without any future.

According to the regional commander, the government is willing to accept those GPK members who realize their past mistakes and return to society. They will not have to face any torture or harsh actions.

So far, no GPK member has given up or voluntarily surrendered for fear of the rumored harsh action in store for them.

The regional commander added that GPK members who do not want to come to their senses because of their aspirations to become president can become president of the jungle.

In his meeting with the media in connection with the return of 213 resident of Tsinga village of Fak-Fak Regency (Irian Jaya) who fled to the jungles because of the GPK's influence, Maj. Gen. Ketut Wirdhana said the Tsinga villagers returned in two groups to their village last week.

The first group consisted of 93 villagers and the second group consisted of 123 villagers [figures as received], mostly old residents and children.

Because their accommodations were burned down by the GPK, they are currently being housed in temporary accommodations constructed by border security forces in Tsinga village.

In an effort to provide subsistence to the Tsinga villagers, PT [Private Company] Freeport Indonesia—one of the major copper mining companies in Tembagapura, Fak-Fak Regency—is currently providing them with food.

Maj. Gen. Wirdhana added that the 213 Tsinga villagers will be relocated with the cooperation of the relevant authorities—particularly the Social Affairs Department, Transport Department, and Forestry Department—while Tsinga village will be left vacant.

Editorial on Sipadan-Ligatan Island Dispute

BK1702071995 Jakarta KOMPAS in Indonesian 16 Feb 95 p 4

[Editorial: "The Urgent Need To Settle the Sipadan-Ligitan Islands Dispute"]

[FBIS Translated Text] Izhar Ibrahim, political director general in the Foreign Ministry, reiterated Indonesia's stand on the Sipadan-Ligitan Islands issue on 11 February. Speaking before Parliamentary Commission I, Izhar stated that Malaysia only started to included Sipadan and Ligitan Islands on its national map in 1969. In fact, the two islands were on Indonesia's national map before 1969.

He added: "Therefore, it was Malaysia that snatched the two islands by including them on its national map in 1969. Malaysia cannot prove that Sipadan and Ligitan Islands were on its national map before 1969. This is our trump card."

Izhar's statement was intriguing because it also unearthed a discovery in connection with Indonesia's new national map. Parliamentary Commission I members questioned the statement by Malaysian Foreign Minister Abdullah Badawi through that country's mass media that Malaysia was conducting an investigation into reports that Indonesia had included the two disputed islands on its national map. Badawi said: "As far as we know, the two islands belong to us."

Speaking to reporters, Izhar explained that Indonesia's national map—particularly the map of the Sipadan and Ligitan Islands—was drawn up in accordance with the 1891 convention. He said: "This evidence also proves our basic stand that Sipadan and Ligitan Islands are Indonesian territory."

Overlapping claims to the Sipadan-Ligitan Islands were first brought to the negotiating table when Indonesia and Malaysia held discussions on the continental boundary issue in 1969. A final decision was made during the talks 26 years ago to endorse the status quo [preceding two words published in English].

Yet Malaysia subsequently included Sipadan and Ligitan Islands on its national map and its private sector began establishing a tourist industry on the two disputed islands in the 1980's.

Indonesia considers the two islands, situated off the East Kalimantan coastline, as its sovereign territorial possessions because the islands were part of the Netherlands colony. Malaysia, however, believes the Netherlands authorities handed them over to the British who colonized Malaysia.

In an effort to settle the dispute, the claims by the two sides should be reviewed based on the historical background and international law. As such, it would be appropriate if a comprehensive assessment was conducted with regard to the two disputed islands. Indonesia and Malaysia should be given the opportunity to provide their own evidence in connection with their claims to the two islands either through historical facts or national or international law.

Prior to the presentation of any legal evidence, Indonesia has acknowledged that Malaysia has extended its tourist region to the disputed islands. Sipadan and Ligitan Islands have been transformed into Malaysian tourist destinations.

In the context of sovereignty, the Sipadan-Ligitan issue is no longer considered a quantitative issue but rather a qualitative one. These two islands convey a special meaning despite their insignificant size because they are linked to the question of sovereignty, territorial integrity, and a national prestige.

It is justifiable for Indonesia to stake a claim to Sipadan and Ligitan Islands. Unquestionably, the settlement of the disputed islands should be conducted in a friendly and persuasive manner because we belong to the same stock.

The spirit of cordiality and togetherness should be the mainstay of the effort to solve the dispute. Dragging out the issue will only create more complications that could aggravate the problem. Nonetheless, it is definitely of the utmost importance to preserve the existing continuous and close bilateral relations.

We are confident that any difficult and unusual problem can be solved if the two sides want a desirable outcome. Other ASEAN member countries will focus their attention on the method undertaken by Indonesia and Malaysia to solve the dispute. Indonesia and Malaysia definitely have the moral responsibility to set an example by settling the dispute peacefully.

Malaysia and the Philippines have overlapping boundary claims in Sabah. Malaysia and Singapore are in dispute with regard to the claim on Pedra Blanca Island. Moreover, three ASEAN countries—Malaysia, the Philippines, and Brunei—have claims to the disputed Spratly Islands.

Given the dynamic and longstanding bilateral ties between Indonesia and Malaysia, we are confident that the two countries will be able to settle their dispute in a friendly manner in a spirit of togetherness. Besides being good neighbors, the two countries have similarities because they come from the same stock.

The desire of Indonesia and Malaysia is to develop a stable, peaceful, and nuclear-free ASEAN region. Their similar perception of the need to create a secure and stable region has been further strengthened through numerous regional and international economic cooperation forums.

With close bilateral ties, we are confident that Indonesia and Malaysia can settle the issue either through bilateral talks or through a third party.

Should the provisions of law fail to settle the dispute, we definitely hope that the two friendly nations will jointly administer Sipadan and Ligitan Islands.

Trade Official Comments on Exports to Russia

BK1702121795 Jakarta REPUBLIKA in Indonesian 11 Feb 95 p 3

[Passages in italics published in English]

[FBIS Translated Text] Jakarta—Trade relations between Indonesia and Russia are still clouded by the payment system. "One of the efforts to overcome the problem is the establishment of company representative offices in Russia," Rudy Lengkong, head of the National Exports Promotion Board, said in Jakarta on 9 February when he discussed the participation of 16 Indonesian companies in the Moscow Consumexpo 1995.

According to him, Russia's monetary system is still in transition. A 25 percent *down payment* is normally made when a contract is signed. Final payment is by wire transfer after the goods are delivered to Moscow.

In addition, the exchange rate between the ruble and foreign currencies is not stable due to the high inflation rate, which ranges from 15 to 20 percent monthly. Thus, Russian consumers prefer to conduct transactions on a *cash and carry* basis, while Indonesian businessmen prefer the use of *letters of credit.*

Indonesian business circles hope Indonesian banks will open branches in Russia to overcome the obstacle. Rudy said the opening of such offices will overcome not only the payment obstacle but will also facilitate penetration of Indonesia's nonoil and nongas products into the Russian market.

According to Rudy, three Indonesian companies have opened representative offices in Russia. They are P.T. [Company Limited] Prima Comexindo, the Carwel Group, and the Berdikari Group. The three even pioneered the establishment of the Indonesian House Foundation in Moscow.

"Our main objective is to supply information on market prospects in Russia," said Gunawan Sondakh, chairman of the Indonesian House Foundation. The foundation will also help Indonesian businessmen who face obstacles in trading with Russian importers.

According to Rudy, Russia has a great potential market with its population of 148.2 million. Russian consumers are highly interested in Indonesian consumer goods.

Contracts secured by Indonesia during the Consumexpo 1995 reached U.S. $4.89 million or about 10 billion rupiah. The production of Russian consumer goods has decreased by an average of 19 to 20 percent annually over the past three years.

Meanwhile, Laila Janun Caropeboka, head of the Market Information and Analysis Center of the National Exports Promotion Board, said that the Russian Ministry of Foreign Economic Relations demanded that "Form A" be used as *certificates of origin* in Indonesian export documents because the Russian Government imposes lower import duties on products from developing countries, including Indonesia, she said. She said the import duties average less than 50 percent.

Army To Acquire 30 Scorpion Tanks

BK1602162695 Jakarta SUARA PEMBARUAN in Indonesian 4 Feb 95 p 15

[FBIS Translated Excerpt] Jakarta 4 February—Sugeng Subroto, secretary general of the Department of Defense and Security, said the Indonesian Army will acquire 30 Scorpion tanks. The contract for the tanks has been signed. This will be one of the changes in the use of foreign aid for the defense and security sector under the 1994/1995 fiscal year.

"The contract for the acquisition of U.S. $130 million 30 Scorpion tanks has been sealed," Sugeng Subroto told a working meeting with members of Parliamentary Commission I [dealing with foreign policy and national security] on Friday, 3 February. The working meeting was chaired by Commission I Chairman B.N. Marbun S.H. [Master of Law).

Sugeng Subroto explained that an additional U.S. $152.13 million in foreign aid has been allocated for the defense and security sector. He added that these funds, apart from being used for the tanks, will be utilized for refurbishing and modifying the army's six Hercules 130 planes, estimated to cost U.S. $22.13 million.

The secretary general said the development fund required by the Department of Defense and Security under the 1995-1996 fiscal year was estimated at Rp. [rupiah] 1,783.9 billion, and comprised Rp 1,190.7 billion in fresh funds and U.S. $265.5 million in foreign aid. [passage omitted)

"The ministry is hoping to receive an additional U.S. $41 million in foreign funds to acquire F-16 aircraft simulators," Sugeng Subroto said. [passage omitted]

ABRI Chief Supports Original PDI Council

BK1702024395 Jakarta ANTARA in Indonesian 1036 GMT 16 Feb 95

[FBIS Translated Excerpt] Jakarta, 16 Feb (ANTARA)—Major General Muhammad Ma'aruf, ABRI [Indonesian Armed Forces] chief of staff for social and political affairs, says ABRI adopts a legalistic view in the internal rift within the PDI [Indonesian Democratic Party] Central Executive Council and will not allow the rival Central Executive Council to hold meetings if they have no permit.

"We continue to adopt a legalistic view and recognize only the PDI Central Executive Council headed by Megawati," said Maj. Gen. Ma'aruf to reporters at a news conference held at the ABRI headquarters on Merdeka Barat Road in Jakarta on Thursday [16 February].

He said the recent meetings by the rival PDI Central Executive Council led by Yusuf Merukh in Cipayung were held without a permit.

"If they want to hold any meeting, they must follow the existing procedure and ask for a permit from security authorities. Without such a permit, they cannot hold the meeting," said Maj. Gen. Ma'aruf.

On the existence of the PDI rival group, the two-star general said the situation is a result of differences of opinion that have yet to be settled. "I hope they will settle the rift in a proper way through consultation and consensus," he said.

Maj. Gen. Ma'aruf held the news conference in his capacity as the new ABRI chief of staff for social and political affairs, replacing General R. Hartono. During the occasion, Maj. Gen. Ma'aruf was accompanied by Maj. Gen. Ismail, chief of ABRI Civic Mission Development Agency; Maj. Gen. Pranowo, assistant to ABRI chief of staff for social and political affairs; Brigadier General Suparman, deputy assistant of ABRI chief of staff for social and political affairs; and Brig. Gen. Syarwan Hamid, chief of ABRI Information Service.

Replying to a reporter's question on the fact-finding team dispatched by the ABRI headquarters to East Timor to investigate the 12 January incident, Maj. Gen. Ma'aruf said the outcome of the investigation will be announced soon.

Editorial Views ABRI Leadership Change

BK1702054195 Jakarta KOMPAS in Indonesian 14 Feb 95 p 4

[Editorial: "The ABRI Leaders Are Facing a More Complex and Challenging Situation"]

[FBIS Translated Text] The role of the ABRI [Armed Forces of the Republic of Indonesia], whether as the defender of peace and security or as a sociopolitical force, is still considered the determining factor in the existence of the country and its people. This is the reason why the community gives its full attention whenever there is a change in the ABRI leadership.

This attention is given because there has been a consistent trend in leadership succession; for example, on several occasions outgoing Army chiefs of staff have been succeeded by the deputy Army chief of staff. On the other hand, there have been occasions without such a trend.

The final decision rests with the president as the supreme commander of the armed forces, irrespective of whether or not there has been a consistent trend. The president makes the final decision in view of all the conditions and perspectives of the situation.

The ABRI leaders have different personalities, attitudes, and backgrounds. It has been continuously stressed, however, that the ABRI leaders have pledged to defend honesty, truth, and justice and devote themselves to Almighty God.

Every one of the leaders understands this. They are confident and are rationally and truly upholding these qualities. The soldier's vow is to defend and uphold Pancasila [state ideology]; defend the country's and people's interests and the national concept of nondiscrimination against any race, color, creed, or religion; and pledge their loyalty to the country. The vow has become part and parcel of the soldier.

In fact, this understanding, experience, and loyalty to the Pancasila ideology and doctrine comprises the ABRI's strength and credibility—whether it acts as a force for maintaining peace and security or as a sociopolitical force.

The ABRI is the protector and backbone of unity based on a nondiscriminatory attitude and outlook while placing the nation's and people's interest above all.

The ABRI leadership change is as follows: Outgoing Army Chief of Staff Wismoyo Arismundar was replaced by General R. Hartono; Lieutenant General H.B.L. Mantiri, chief of the Armed Forces General Staff, relinquished his position to Major General Suyono; and Lt. Gen. Hartono, ABRI's chief of staff for sociopolitical affairs, handed over his duties to Maj. Gen. Muhammad Maaruf.

Apart from ABRI's important dual functional role and the change in its leadership, attention is being given to the leadership change because of the reforms in national and international conditions that we are currently facing.

There is a strong desire in society to see the succession process in the central leadership carried out in a constitutional, controlled, and a smooth manner—whether it takes place within the ABRI or sociopolitical or other mass organizations.

This is relevant because there is a need to ensure our security and continuous existence as a race that needs to continue with its national development becoming more progressive. Such an undertaking is difficult because we are facing social reforms and developments.

The people's aspirations are high following the economic and educational progress that was achieved during the first phase of development. People are anxiously asking for more progress. Given this social condition, the people's insatiable desire for more progress overrides the feeling of satisfaction and contentment.

Meanwhile, the people's aspirations have not only been boosted but have become more critical. This critical attitude has become more acute because of the wide gap among the multiethnic groups in Indonesia. This has given rise to primordial ethnic sensitivities and so on.

The critical attitude is also aimed at the governance [preceding two words published in English]—more so if there is evidence that there are numerous personal collusions that do not benefit society.

The people's mobility and openness within and outside the country—because of the dynamic economic market and the flow of information—heightens this sensitivity and encourages society to make comparisons.

We should admit that due to global developments and reforms, the emergence of numerous aspirations and new social strengths within society—such as ideologies as nationalism, unity, and centralism—are facing provocative challenges. Such ideologies should be refreshed and hastened in line with development. If they remain stagnant, they will become meaningless and lose their appeal.

The ABRI will not shoulder the burden of facing developments and challenges alone. We have to face the challenges and developments together. It is clear, however, that the ABRI has a greater interest in shouldering such responsibility and making decisions.

The ABRI will maintain its territorial functions, but the content and attitude could change. Issues pertaining to security and stability are assuming new forms that are different than before. Among other things, there are excesses of mobility and excesses of development such as land problems, housing, employment opportunities, and labor conditions.

The ABRI will still be responsible for maintaining stability and solidarity in a more dynamic manner and not through the status quo [preceding two words published in English]. The ABRI will carry out its duty to the public and social organizations more widely in stages, but in a more consistent manner.

Given the implications, conflicting opinions, and attitudes, the ABRI will create more productive conditions in an effort to make the people aware of their respective responsibilities. The ABRI will also assist in the development of social organizations, which are becoming more independent and responsible.

The ABRI has become praiseworthy in terms of maintaining security and peace. It gives consideration to security and peace except when a crisis breaks out and it needs to make prudent decisions in accordance with the changing situation.

Because of this, the ABRI's dual functional role should not be considered an obstacle to democracy and human rights; it should be viewed as a supporter and negotiator.

The process of democratization can be carried out in numerous dimensions. Unquestionably, social dimensions cannot be overlooked—particularly because of our multiracial society and our large archipelagic territory. We need to undertake jointly the difficult task of widening our understanding, principles, culture, and democratic infrastructure.

Meanwhile, developments cannot be halted while we are undertaking efforts to develop our understanding, principles, culture, and democratic infrastructure. Development will definitely continue by leaps and bounds. We still lag behind in our economic progress compared to the achievements of other ASEAN countries.

What is the implication of the commitment to make further developments at a more progressive level? Stability and internal and external credibility are the elements that are definitely needed to achieve such an objective.

Social changes should be wisely dealt with in a progressive manner. The experiences of the developed nations indicate that the nations have become successful because they are able to protect and utilize their past historic achievements. We will not discard our national historic heritage and let our country's 50 years of independence be wasted; we will further strengthen it with reforms and modifications.

The ABRI, its newly appointed leaders, and all our other national forces will willingly face unexpected and difficult challenges in the future.

Philippines

U.S. Hands-Off Policy on Spratlys Viewed

BK1702092495 Manila MANILA STANDARD in English 15 Feb 95 p 2

[FBIS Transcribed Text] In a press release yesterday, Representative DC. Candazo, vice chairman of the House Committee on Foreign Affairs, said the US cannot be expected to intervene in the Spratlys dispute when its oil companies, principally Crestone and Mobil, are the main beneficiaries of offshore oil exploration in the contested area.

Candazo agreed that theoretically it may be argued that the Spratly Islands Group is not within the purview of the 1951 RP [Republic of the Philippines]-US Mutual Defense Treaty, but that the hands-off policy maintained by the US on the dispute can be better understood only in "economic more than geopolitical terms."

"For short term economic gains, the US is willing to allow an expansionist China to take control of the whole of South China Sea while our policymakers have publicly taken refuge in platitudes about their belief in China's goodwill and calls this quiet diplomacy," he argued.

Candazo says that in 1992, China contracted the services of Denver-based Crestone Oil Company for oil exploration in an area rightfully considered by Vietnam as part of its continental shelf.

The Marikina representative said Chinese aggression in the Spratlys and its occupation of Mischief Shoal may reflect a calculated response to increased, interest of claimant states in the economic resources of the contested area.

"Yet our protest deserves the support and understanding of the international community because the occupation does not only have national security implications, it reflects a dangerous double edge policy of a regional power that wants to display military might while mouthing slogans advocating a peaceful resolution of the conflict."

Leaders Want 'Substantive Reply' From PRC

BK1702105395 Hong Kong AFP in English 1024 GMT 17 Feb 95

[FBIS Transcribed Text] MANILA, Feb 17 (AFP)—China has failed to reply satisfactorily to a diplomatic protest over its incursion into a Spratlys reef claimed by the Philippines, officials said here Friday.

Filipino officials sought a "substantive replay" as they acknowledged that Vietnam had also moved into the area claimed by Manila in the reputedly oil-rich South China Sea archipelago contested by six nations.

"There is no response yet other than the usual explanation. One explanation is that these could be the activities of local provincial units which are not under the control of the central government," President Fidel Ramos told a news conference.

Tension heightened in the Spratly islands earlier this week when Manila stepped up naval patrols and aerial reconnaisance after accusing Beijing of occupying and building structures on Mischief Reef, a spit in the middle of the eight small islands occupied by Philippine forces.

Manila claims sovereignty over a total of 53 islands, atolls and reefs which it calls the Kalayaan (Freedom) Group, out of the more than 190 comprising the scattered Spratly archipelago.

Foreign Secretary Roberto Romulo said that "what is important is that we should receive a substantive reply."

Ramos acknowledged for the first time Friday that rival claimant Vietnam has managed to erect structures on some of the islands disputed by Manila, but said his government has an agreement with Hanoi to "maintain the status quo."

A military source here said the Vietnamese navy started moving in in 1980 by building fortifications on two islands, including a naval garrison about 50 nautical miles from the Philippine naval detachment on the biggest Filipino-held island, which it calls Pag-asa (Hope).

When Philippine troops vacated two other islands seven years ago, the Vietnamese promptly took their place, the source said.

Romulo said the Vietnamese occupation of the four islands took place before the Manila Declaration in 1992, when the Association of Southeast Asian Nations (ASEAN)—including claimants Brunei, Malaysia and the Philippines—called for restraint and pledged to resort to peaceful means to resolve the disputes.

China, Taiwan and Vietnam are the other claimants. ASEAN also includes Indonesia, Singapore and Thailand.

Romulo said the Chinese intrusion was a "breach" of the 1992 declaration which Beijing had pledged to respect.

On Vietnam, Ramos said Hanoi had agreed "to my proposal to maintain the status quo in the South China Sea islands as well as the exchange of visits at the very highest levels as well as at detachment level."

The Philippines is the weakest among the claimants, and Ramos said Friday that "we will not substitute consultations" for "any aggressive or violent solutions."

But he stressed that the Mischief Reef is "well within the exclusive economic zone" of the Phlippines, and that "it is the right of every state to defend itself against aggression."

He said congressional leaders have informed him they will extend special sessions until the weekend to reconcile two bills providing funds for the long-sought modernization of the armed forces.

He said they assured him that the final act would be ready for his signature by Tuesday.

Armed forces chief General Arturo Enrile meanwhile said Friday that China, Vietnam, Malaysia and Taiwan also had occupied or still occupy a section of the 53 islands and atolls in the Spratlys claimed by Manila.

"All claimants except Brunei have already occupied some parts of Kalayaan long before the implementation of the UN Convention on the Law of the Sea," he told reporters, referring to the agreement which allows archipelagic countries like the Philippines to maintain a 200-mile exclusive economic zone.

A battalion of Navy construction units, called Seabees, now occupy eight islands of the Kalayaan group, Enrile said.

He said the Defense Department was still "studying the situation in the area" before deciding on whether to send combat troops to the eight islands.

Paper Views PRC Show of Power in Region

BK1602160495 Manila PHILIPPINE DAILY INQUIRER in English 15 Feb 95 p 8

[Editorial: "China Tests the Water; Diplomatic Options"]

[FBIS Transcribed Text] The Chinese occupation of Panganiban Reef, one of the islands claimed by the Philippines in the Spratly Islands, underlines a number of things. The first is the fragility of peace in Southeast Asia as China projects her military power to fill the void being left by the shrinkage of American military presence in the region. The second is the woeful inadequacy of the Philippines' military capability to respond to a direct threat to her territorial integrity and security. And the third is that the Philippines cannot invoke the 1951 Mutual Defense Treaty with the United States to bail it out in a military conflict with China.

All this is cascading on the Philippines like a ton of bricks.

The Chinese occupation is probably the first test of regional relationships in post-Cold War Asia, especially regarding the role of China. The obvious reason China chose to test regional response to the expansion of her presence on the Spratlys is that the Philippines is the weakest maritime Asian nation militarily. The other possible reason is that it may be trying to test the resolve of the United States on how far it will intervene on behalf of her old ally, the Philippines.

China, like Vietnam, Malaysia, and the Philippines, has been expanding its presence on the island chain by building fixed installations on some of the islands and by sending her gunboats to show the flag. Having gained a toehold on Panganiban Reef, China is not expected to dismantle her structures to accommodate the Philippines' protest even though most of her naval flotilla have left the reef.

Everyone in the region knows that China has been modernizing her armed forces aimed at projecting her military power with a blue water fleet. The occupation of the reef is a logical outcome of this projection which is based on her belief that the entire South China Sea is historically a Chinese "lake." It is our bad luck that China selected our claim as a test case.

The United States has indicated that it is not inclined to use the Mutual Defense Treaty as a reason to stop the expansion of Chinese presence on the strategic chain. It says that the treaty covers only the "metropolitan" territory of the Philippines and the Kalayaan Islands are not covered by the treaty. We may disagree with this interpretation, but historically the United States has avoided getting involved in bilateral territorial disputes in the region.

The ease with which the Chinese established structures on the reef and the porousness of our borders to naval penetration highlight the shortcomings of a defense policy that emphasized combating internal insurgency and neglected external security. Part of the reason for this lopsided defense policy is that the Philippines depended too heavily on the United States for her external defense and U.S. military aid was tailored to supply weapons and equipment intended to fight insurgency. The decline of insurgency has allowed us to shift emphasis to external defense, but it has come rather too late.

Such neglect is now so much water under the bridge. But at least the imbalance is being corrected to allow us to catch up on military preparedness. Given the state of her navy and air force, the Philippines cannot physically enforce her claims on the Spratlys. Obviously, diplomatic means are the only available option for resolving the tensions with China or in stopping her from grabbing more territory.

China's moves have increased anxieties among ASEAN nations. They emphasize the need to develop a regional mechanism for peacekeeping and defusing tensions over territorial disputes which have explosive potential in the South China Sea. Indonesia has been acting as a broker for informal dialogues along the lines outlined by the ASEAN's Manila Declaration in 1992, which calls on all claimants of the territories in the South China Sea to exercise restraint in pursuing their claims so as not to destabilize peace in the region.

China is sending the signal that it intends to be the dominant military power in the region and it is now throwing her weight around. This should impress on China's neighbors the importance of banding together to find a regional mechanism that can restrain her from colonizing the South China Sea.

AFP Reports Vietnamese Troops on Spratlys

BK1702022095 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 16 Feb 95

[FBIS Translated Text] There have been reports that Vietnam has also put up a naval garrison on the four islands of the Kalayaan Islands. As with the Chinese, there is no indication that the Vietnamese plan to remove its forces on the said islands.

According to sources of the AFP [Armed Forces of the Philippines] Western Command in Palawan, Vietnam has forces armed with high-powered weapons in the islands of Pugad, Binago, Lagos, and Rurok. Included among the weapons of the Vietnamese troops are 11 anti-aircraft guns supported by more or less 60 machine guns and artillery weapons. [video shows 23 machine guns, nests, and 33 artillery] The Vietnamese have also put up a concrete runway for its airplanes on Lagos.

Vietnam issued a decree in 1961 claiming the said islands. The islands occupied by Vietnam are within the declared 200 nautical mile exclusive economic zone of the Philippines. According to reports, foreign intrusion in the Kalayaan Islands continue because of the inadequate capability of the Philippine Navy to patrol these far-flung islands.

Fighter Jets, Helicopters Dispatched to Spratlys

BK1702020595 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 16 Feb 95

[FBIS Translated Text] The government has dispatched five fighter jets and one more Philippine Navy patrol fast craft [preceding two words in English] to the Panganiban Reef in the Kalayaan Islands. This step was taken in line with President Ramos's directive to strengthen the forces of AFP [Armed Forces of the Philippines] in the Kalayaan Islands.

[Begin Alex Tinsay recording] According to the Philippine Air Force spokesman, Colonel Felipe Gailan, included in what the government sent to the Kalayaan Islands are a full force of five F-5 jet fighters, four Italian made S-211 jet trainers, and two Huey helicopters. This directive from President Ramos is the result of the continued presence of the Chinese structures and warships in the Panganiban Reef of the Kalayaan Islands.

Earlier, the Armed Forces Chief of Staff General Arturo Enrile said that some of those staying in the Panganiban Reef structures are Chinese soldiers. This finding was based on reconnaissance photos taken by the Air Force. The Panganiban Reef—which is also known as Mischief Reef—and 52 other islands are included in the territory claimed by the Philippines within its territorial limits because the islands are just 135 nautical miles away from Palawan.

The Philippine Government objects to the continued stay of the forces of the People's Republic of China and accused the Beijing government of lying and keeping silent about its real intentions in the Panganiban Reef. According to China, the structures were put up to provide shelter for its fishermen. The Ramos government does not believe the explanation and suspects that China is interested in the mineral resources in the South China Sea floor, including possible oil reserves on the said island.

The AFP Western Command has already stationed two Philippine navy patrol boats in the area and they continue to monitor the movements of Chinese warships. At the onset of the incident, President Ramos called on the five other claimant countries of the islands to resolve the ownership issue though peaceful resolutions.

In a dinner in honor of Singapore President Ong Teng Cheong, Cheong said that the Spratlys issue can be easily resolved if the members of the Association of Southeast Asian Nations, or ASEAN, would unite to file a protest against the Chinese intrusion in the islands.

Alex Tinsay, GMA News. [end recording]

Senator Wants Japan's Influence in Spratlys

BK1702075995 Quezon City GMA-7 Radio-Television Arts Network in English 0600 GMT 17 Feb 95

[FBIS Transcribed Text] There might be one solution to the South China Sea dispute. Senator Blas Ople wants Malacanang to ask Japan to handle the issue. With Japan's influence, there is a big chance that China will be willing to a peaceful dialogue. The presence of Chinese vessels and warships continue to increase along the Spratly Islands by the day. Until now China has not offered any explanation. Ople also suggest that President Ramos calls on the United Nations immediately before the dispute worsens.

Article Deplores 'Sorry State' of Military

BK1602110595 Manila BUSINESS WORLD in English 14 Feb 95 pp 1, 6

[Article by Sandra S. Aguinaldo, Cristina D. C. Pastor, and Sta. Cecilia M. Santillan: "RP (Republic of the Philippines) is in No Position To Wage War"]

[FBIS Transcribed Text] The Senate is in the process of crafting a P350 [pesos]-billion modernization program for the Armed Forces of the Philippines (AFP) to guide the latter's hardware spending over the next 15 years. The House passed its own version last year.

Senator Orlando Mercado, chairman of the Senate Committee on Defense, has had to parry attacks the modernization program is ambitious and will cost government a lot of money.

He said beefing up the defense establishment's capability hinges not only on the purchase of war materiel but also on a reduction of combat personnel and an entire range of technology-upgrading schemes.

"The AFP modernization program shall develop the AFP into a compact, efficient, responsive, and modern force with the capability to engage in conventional and/or unconventional warfare, disaster relief and rescue operations, and contribute to economic development and other nontraditional military roles," a provision in the proposed law states.

At present, the AFP has the poorest capability in the Asia-Pacific region, with equipment and artillery dating back to World War II. Gen. Arturo Enrile, AFP chief of staff, put it matter of factly when he said the military should be congratulated if only for keeping vintage ships afloat and managing to have an aging air force squadron perform "aerobatics" exhibitions.

Under the present circumstances, he said, the AFP must make do with what it has and aim for the "minimum-minimum requirement" for its modernization.

THE ARMED FORCES OF THE PHILIPPINES' STRENGTH

THE NAVY	
Personnel	22,000
Air Division	3
Frigate	5
Corvette	9
Patrol Vessel	13
Landing Ship Tank	20
Landing Ship (Mechanized)	4
Landing Ship & Support Logistics	3
Landing Craft Utility	38
Landing Craft Vehicle	2
Patrol Craft	65
V-300 Commando	24
Islander Plane	8
BO-105 Helicopter	18
THE AIR FORCE	
Personnel	31,300
F5A-Fighter Plane	7
OV-10 Plane	22
T-34A Plane	12
F-27 Maritime Patrol Aircraft	3
C-130H Cargo Plane	4
C-47 Cargo Plane	5
L-1000-20s Plane	3
Nomad Aircraft	14
Islander Aircraft	22
Helicopters	
S-76s	16
S-70 Blackhawk	2
Bell 212	2
Bell UH-H	62
MD-500 Defenders	29
THE ARMY	
Personnel	90,000
Infantry Division	8
Special Forces (Airborne) Group	1
Scout Ranger Regiment	1
Engineering Brigade	5
Construction Brigade	1
Light Armor Brigade	1
Wide Support and Separate Unit	6
Army Aeroscout Company	1
Light Tanks	20
M113-Armored Personnel Carrier	80
V-150 Commandos	81
Armored Infantry Fighting Vehicles	80
Howitzers-150mm	8
105mm guns & mortars/RCLs of various calibers	190

After an accounting of AFP's assets, the military leadership has come out with an acquisition plan for the years covering 1993 to 2006. The Philippines' idea of modernization, said Defense Secretary Renato De Villa, involves the acquisition of basic defense requirements, enough to protect the country's sovereignty, defend claims in the Spratlys, and deter intrusions in the country's exclusive economic zones (EEZ's).

As underscored by recent developments surrounding the strong presence of the Chinese Navy in Mischief Reef, however, the Philippine Government needs a lot of catching up to do. The undetected intrusion into the country's waters so close to Palawan by three battleships and five smaller navy vessels carrying the flag of the People's Republic of China clearly demonstrates the sorry state of the country's defense posture. This was underlined by the fact that China was already able to put up four permanent structures in different parts of Mischief Reef before the AFP Western Command had an inkling something was afoot.

Even as Mr. Enrile argued that the possibility of external aggression remains remote, the AFP, long before the Chinese intrusion found its way to the headlines, had already projected the South China Sea as a "potential flashpoint." Among the claimants of the Spratlys, however, it was only the Philippines which first made the call for "demilitarization" of the area to prevent armed confrontation for obvious reasons. Significantly, the suggestion was aired during President Ramos's visit to Vietnam last year.

Mr. De Villa said government administers Kalayaan, the biggest in the eight islands being claimed by the Philippines, as a "civilian entity," with Mayor Gil Policarpio taking the responsibility of patrolling the vicinity. In the meantime, fellow claimants have been busy building up their forces, protestations notwithstanding.

In particular, the AFP has admitted it is concerned with China's emergence as an Asia-Pacific power. In a published interview with the ASIAN DEFENSE JOURNAL, Gen. Enrile said, "We ourselves are concerned with China's military modernization, in as much as the Spratly dispute remains unresolved."

The issue of foreign intrusions has become a source of concern for local intelligence and law enforcement agencies. Rightfully, as reports of illegal entry of foreign vessels have started to come in one after the other, it also has become the topic of choice in national security discussions.

In this light, the need for a modernized AFP has become inevitable. Asked by the Senate to produce a list of equipment and artillery needed for the program, the AFP leadership has presented the following "shopping list."

Military officials argue that the Philippine Army must have the capabilities of a peacetime standing force; battlefield anti-air defense; nationwide base of trained, equipped, readily mobilizable reserve force; war reserve stock; anti-armor, control of deployed and engaged forces; and, engineer construction capability.

The Philippine Air Force, according to military reports, must develop the capability of counter-air and counter-surface operations; interdiction of enemy territory; aircraft early warning and control; air forces for the Philippine Navy; strategic airlift; ground attack in support of ground forces; battlefield aircraft; bases for projecting air forces; protection of air forces; and, maritime reconnaissance.

The Philippine Navy's requirements include surface warfare with ship-to-ship and ship-to-air missile capability; coastal patrol; mine warfare; anti-submarine warfare; naval air reconnaissance; special underwater operations; control of engaged and deployed air forces; bases for projection of naval forces and limited amphibious operations.

The AFP hopes to acquire most of the equipment and artillery on its shopping list in three phases over the next years. Military officials are presently entertaining proposals from countries such as Africa, France, and Russia in an attempt to secure assets which would fit the country's defense requirements. In an interview, Mr. Enrile said government is on the lookout not necessarily for sophisticated weaponry, but for those that will serve the purpose in the most economical manner possible.

Meanwhile, Senate committee report No. 536 is scheduled for approval before Congress adjourns on 16 February. The bill, entitled "An act providing for the modernization of the Armed Forces of the Philippines and for other purposes," was signed by the 18-member Senate panel.

One of the objectives for modernization is to enable the Philippines to secure its borders from all kinds of intrusions caused by poaching, smuggling, drug trafficking, piracy, and, yes, outright military entry as in the case of the "Mischief Reef" incident.

The modernization program is intended to equip the military with the resources to "uphold the sovereignty and territorial integrity" of the Republic. Sen. Mercado cautioned against exaggerating the interpretation of this provision to mean the Philippines is gearing up for war.

"We renounce war as an instrument of national policy, but we have an EEZ [Exclusive Economic Zone] to protect as part of our patrimony and we will not allow ourselves to be trampled on by any nation," he told BUSINESS WORLD.

The proposed modernization program, as spelled out in the Senate bill, has five components: organizational development; technology development; bases or support system development; human resources development; and, doctrines development.

Mr. Mercado said "organizational development" has to do with the reduction in combat personnel, including the gradual phaseout of the paramilitary Civilian Armed Forces Geographic Units. Over the years, he said the military, comprising eight0divisions of 180,000 men, will be trimmed down to five divisions of a little less than a hundred thousand soldiers of the Navy, Air Force, and Army.

"Technology development" involves the acquisition of new equipment and weapons system, said Mr. Mercado. Such purchases will have to be cleared by Congress, and will go hand-in-hand with the phaseout of "uneconomical and obsolete" equipment, he said.

The AFP also counts as a major component of modernization the relocation of certain military units to different parts of the country in a program called "bases/support system development." For purposes of what Mr. Mercado called "space allocation," bases, camps, and housing facilities for AFP personnel will be established to "conform with national defense strategies."

"Human resources development" entails the improvement of the quality of life of military personnel. Mr. Mercado said this component seeks to transform the AFP into a "people-oriented establishment" composed of a "professionally united force."

There will be a general evaluation of the doctrines of the soldiers as the military weans itself from a counterinsurgency force to one looking after territorial boundaries of an archipelagic state like the Philippines. "The AFP shall be responsible for the generation, evaluation, consolidation, and formalization of doctrines," Mr. Mercado said.

It need not be stressed that the Navy will receive the lion's share of the modernization budget, which some sectors of the AFP, principally those coming from the Army and the Air Force, are reportedly trying to resist.

The Navy is the most ill-equipped service sector in terms of technology, and is therefore the most in need of funding. As things stand, its capability for inshore and offshore patrol, surface warfare, detection and maritime surveillance has been placed in doubt.

Pressed as to what the Philippines wants China to do with her structures on Mischief Reef, Mr. Mercado replied Beijing has to do no less than "dismantle" them.

The senator said the Philippines can cry "I am a claimant" all she wants but if she sends a 1946 landing ship tank to a shooting war, she will not be able to sustain the battle. On the other hand, he argued, if Beijing says the South China Sea is hers and no one else's, the region listens because she is backed by a powerful military.

As Mr. Mercado so painfully put it, "The world listens to those who carry a big stick."

Senate Approves Armed Forces Modernization Bill

BK1702073595 Quezon City Radio Filipinas in English 0230 GMT 17 Feb 95

[FBIS Transcribed Text] The Philippine Senate, Thursday [16 February], passed a long-awaited bill to modernize the country's armed forces—a move hastened by Manila's dispute with Beijing over the oil-rich Spratlys chain in the South China Sea. The Philippine Senate bill allocated P[Philippine pesos]50 billion or $2 billion over the next ten years for modernizing the military, considerably less than the P135 billion approved earlier by the House of Representatives.

The 10-year modernization program includes the procurement of jet fighters, modern patrol crafts and radio equipment. Senate President Edgardo Angara earlier said approval of the much delayed bill was partly in the context of what is happening in the Spratlys Group. He also confirmed that Manila has sent a diplomatic protest to Beijing. Angara said top officials have told him on Tuesday that the Chinese structure on Mischief Reef is the foundation for a (?village) of military encampments or naval presence adding that they considered it a blatant invasion of Philippine national territory.

He said the reef stands within the Philippines' 200 km. economic zone. Angara said there was unanimity in the government to protest in the most vehement terms the encroachment on the country's national territory. Angara said the Philippines will exhaust all diplomatic, legal, and political means to get the Chinese to withdraw from the reef and would not resort to force. He said this will include bringing the case before the Untied Nations and the Association of Southeast Asian Nations, ASEAN and the World Court.

Thailand

Deputy Foreign Minister Comments on Burma

BK1702054795 Bangkok THAI RAT in Thai 17 Feb 95 p 3

[FBIS Translated Text] Deputy Foreign Minister Surin Phitsuwan has reported on the current situation of the fighting in Burma between Burmese Government troops and ethnic Karen forces. He said the situation has not yet improved and the fighting has resulted in stray artillery shells falling on Thai territory.

In this regard the Thai Foreign Ministry summoned the Burmese ambassador to Thailand to tell him that such incidents should not recur because it would have a further impact on Thailand. The Foreign Ministry has also sent a letter of warning to Burma's ruling SLORC [State Law and Order Restoration Council], Surin reported.

The Thai deputy foreign minister also disclosed that the current situation in Burma has resulted in the postponement of a scheduled visit by Deputy Prime Minister Suphachai Phanitchaphak and a team of businessmen for trade talks with their Burmese counterparts. The visit, originally scheduled for 27 February to 2 March 1995, has been put off indefinitely.

Revised Alien Business Law Under Consideration

Chuan Views Revising Laws

BK1702060595 Bangkok BANGKOK POST in English 17 Feb 95 p 1

[FBIS Transcribed Text] Prime Minister Chuan Likphai promised yesterday his Government would do more to revise the rules and regulations governing foreign business operations.

The Premier's statement came a day before the opening of the 10-day BoI [Board of Investment] Fair at Laem Chabang deep-sea port organised jointly by the Government and local and foreign investors to showcase the country's manufacturing base.

The fair, which will be held on 400 rai on Bang Na-Trat Highway, will be opened this afternoon by His Majesty the King and attended by Mr Chuan and his Cabinet.

The Prime Minister delivered his promise during a speech entitled "Beyond Growth: Thailand toward the Twenty-First Century" at a Joint Foreign Chambers of Commerce in Thailand meeting at the Siam Intercontinental Hotel.

Mr Chuan said the new draft of the Alien Business Law had already been extensively reviewed in consultation with the private sector.

"The draft will enable foreign investors and traders to have much greater access to the Thai market," he said.

The new draft reduces the number of occupations reserved for Thai nationals from three to two areas. Details of the law will be distributed later to the Thai Chamber of Commerce and foreign chambers of commerce in Thailand.

The Intellectual Property Act was published in the Royal Gazette in December last year.

Mr Chuan said the Government appreciated the urgency of modernising the country's information services so both Thai and foreign companies have easier access.

"In this light, we will consider establishing a tripartite consultative body and urge you to participate in the discussion process with us."

He said red tape still posed a major obstacle to business operations and so the Government would institute "bureaucratic reform" even though this would take some time.

"Certain government agencies concerned directly with foreign contacts, in particular the Customs Department and Immigration Office, are in the process of being reorganised for greater efficiency."

Mr Chuan said Thailand had been strengthening its role in the world economy with a major effort in the financial and fiscal policy area by maintaining fiscal discipline, reforming the tax structure, and liberalising the financial system.

The current government also adopted a new tariff scheme at the beginning of this year to further rationalise customs procedures and the classification system.

Mr Chuan said his administration placed importance on developing infrastructure in both urban and rural areas as well as in the new economic zones which will provide Thailand with "a greater competitive edge in securing new export outlets".

He said the need to develop the nation's human resources meant the Government would make a budget allocation in 1996 to set up a fund for higher education to provide the private sector with incentives to build formal educational institutions and upgrade the management and labour skills of their workforce.

Looking to the next century, the Premier said his government realised that national aims and aspirations were increasingly intertwined with international activities .

"We remain resolutely committed to building a strong social and economic base for sustainable development and popular well-being as well as for the progress of democratic rule," he said.

Businessmen Urge Passage of Law

BK1702081495 Bangkok THE NATION in English 17 Feb 95 p B1

[Report by Phongphat Sinang]

[FBIS Transcribed Text] The 22 foreign chambers of commerce in Thailand yesterday joined forces to press the Chuan Government to enact the revised Alien Business Law in which foreign businesses will be allowed to have greater access to Thai markets.

The draft of revised law was reviewed by relevant authorities in consultation with the private sector.

Speaking at this year's first meeting of Joint Foreign Chambers of Commerce in Thailand, yesterday, on "Beyond Growth: Thailand towards the Twenty-First Century", Prime Minister Chuan Likphai said that in the draft the number of reserved occupations will be reduced from three lists earlier to two lists, for example, which will facilitate foreign businesses in Thailand.

He said that the revision of the Alien Business Law is in line with the principle of trade and investment liberalization of the World Trade Organization (WTO).

Robert A. Wilson, president of American Chamber of Commerce in Thailand, said that the Treaty of Amity and Economic Cooperation that granted equal rights for US and Thai businessmen to conduct the businesses in their respective countries is separate from the draft of the Alien Business Law that will facilitate all foreign businesses in Thailand.

Wilson added that there are two more steps to be taken under the amendment process of the Alien Business Law.

Moreover, he said that the prospects of Thailand becoming a regional centre of trade and investment is quite good because there has been a relaxation of political tension in the region.

But Thailand needs to overcome problems in infrastructure, transportation, telecommunication and most importantly the shortage of highly skilled labour, especially in engineering and science, said Wilson.

In the meantime, Chuan said that one of the most crucial attempts to sharpen the country's international competitiveness is the adoption of a new tariff scheme which would further rationalize the Thai customs procedure and classification system.

It is estimated that the restructuring will lower the overall effective rate from 30 to 17 per cent within the next two years. An additional measure is a tax rebate procedure that will help lessen exporters' tax burden.

Additionally, Chuan said the government has made a persistent attempt to provide and upgrade infrastructure facilities in all main sectors. This include the construction of four-lane highways throughout the country, dual-track railways, the increase of electricity-generation capacity from 12,000 megawatts in 1993 to 23,000 megawatts by the year 2000.

Furthermore, the government has invested a great deal of effort in human resources development. This involves the upgrading of compulsory education from six to nine years.

At the same time, there is a growing interest in the improvement of the basic skills of workforce and training of manpower, especially in science and technology.

To improve the quality of the country's human resources development, the government will be allocating a budget in 1996, to set up funds for higher education providing incentives to upgrade both managerial and labour skills.

Realizing the urgency of modernization of the country's information services to which the private sector will have easier access, the government is striving for closer collaboration with both Thai private sector and foreign counterparts. The establishment of a tripartite consultative body is being considered, in which foreign chambers could participate in the discussion process.

Insurance Firm To Allow Foreign Participation

BK1702061795 Bangkok BANGKOK POST in English 17 Feb 95 p 30

[FBIS Transcribed Text] State-owned Thipphaya Insurance Co will permit foreign equity participation in its operations in order to boost its competitiveness, in compliance with the General Agreement on Trade in Services [GATS] to liberalise the insurance industry.

Deputy Finance Minister Chawarat Chanwirakun said Thipphaya Insurance would apply to list its shares on the stock market in June, with their debut in October.

Before applying, the company's capital is to be raised from 80 million baht to 200 million baht, of which 30 percent will be divested to the general public. As a result, the stakes taken by state enterprises and government agencies in Thipphaya Insurance will not exceed 45 percent with the remainder going to the private sector.

Mr Chawarat said Thipphaya Insurance hoped to acquire know-how and training as a result of foreign equity participation in its operations, as well as the possibility of obtaining reinsurance. Such a situation should increase the company's level of competitiveness after the insurance industry has been liberalised under GATS.

Although he refused to identify the foreign parties involved, he said several foreign insurance firms were interested in joining forces with his company. Foreign participation in the company is expected to occur after Thipphaya Insurance has been listed on the stock market.

Excise Department director general Somchainuk Engtrakun said general insurance firms wanted the Finance Ministry to place the general insurance business under a value-added tax system so as to enable it to claim a tax rebate.

At present, the general insurance business is subject to 10 percent tax, which Mr Somchainuk said was fairly high compared to similar businesses in other countries, resulting in Thai firms being unable to compete with foreign insurance companies in major international insurance projects.

Thipphaya Insurance's total premiums were worth 2,885 million baht last year, up 55.58 percent on 1993, ranking it as the third largest general insurance company in this respect. The company was also ranked as the top company in the miscellaneous insurance sector.

The company's compensation payouts totalled 1,599 million baht and it made a pre-tax profit of 118 million baht.

Vietnam

Spokeswoman Urges Peaceful Spratlys Settlement

BK1702110295 Hanoi Voice of Vietnam in English 1000 GMT 17 Feb 95

[FBIS Transcribed Text] Vietnam advocates to settle all issues relating to the Spratly and Paracel archipelagoes through peaceful negotiations.

Speaking at a press conference in Hanoi on Thursday, the spokesperson for the Vietnamese Foreign Ministry, Mrs. Ho The Lan, said: While efforts for negotiations are being made, the present status-quo would be maintained. All sides should refrain themselves from using violence and threatening to use violence.

Mrs. Ho The Lan also informed that Polish Deputy Prime Minister and Finance Minister Grzegorz Kolodko will pay an official visit to Vietnam in late March. The visit is to promote multilateral relations between Vietnam and Poland. An agreement on navigation between the two countries is expected to be signed on this occasion.

Vietnam and Poland plan to sign agreements on cooperation on economy, trade, and ocean transport. The signing will take place during the visit to Vietnam by deputy prime minister and finance minister of Poland next month.

(?The visit is) in response to the visit to Poland by Vietnamese Deputy Prime Minister Tran Duc Luong in August 1994. During the period, the two sides had signed agreements on the promotion of investment and avoidance of double taxation.

Mrs. Ho The Lan also informed that a delegation of the Japanese Economic League (Kadara) will also visit Vietnam from 21-26 February. This will be the largest Japanese company to visit Vietnam.

Vietnamese Foreign Ministry has announced that Algerian Trade Minister (Faqi Agera) and many Algerian officials and leaders of major businesses will visit Vietnam next week. The visit is to strengthen the trade ties between the two countries.

Foreign Minister on Human Rights, Refugees

BK1602145395 Hanoi Voice of Vietnam in English 1000 GMT 16 Feb 95

[FBIS Transcribed Text] Vietnamese Foreign Minister Nguyen Manh Cam has concluded his official visits to the Philippines, Australia, and Singapore. Before he returned home, the Vietnamese diplomat held a press conference on his visits. He said his visits to these countries have different purposes but share the same requirement. This is to review the relations between Vietnam and these three countries in the past years.

In general, all these three countries have expressed their satisfaction at the cooperative ties with Vietnam and expressed the desire to continue expanding bilateral relations. The Philippines wanted to expand its trade relation and cooperation with Vietnam in agriculture, particularly raising oysters for pearls. Philippine President Fidel Ramos committed to help Vietnam in the building and management of small and medium enterprises, which the Philippines has a great experience.

For its part, Australia wishes to cooperate with Vietnam in telecommunications. At present, Australia ranks sixth in the list of 50 foreign investors in Vietnam. It wants to promote cooperation and investment in Vietnam in the field of posts, transport, technology, joint venture in production of goods for export.

Meanwhile, Singapore wanted to develop two industrial zones in Song Be Province, southern Vietnam. It also wanted to help Vietnam develop tourism and it is ready to share experience in banking, finance, and trade with Vietnam.

All the three countries welcomed Vietnam's approval to become full member of the ASEAN in July this year. Worthy of note is that the Philippines, Australia, and Singapore welcome Vietnam's viewpoints in the settlement of conflict in the East Sea. They considered Vietnam's stance in this issue suitable to the ASEAN resolution. They all agreed that the problem cannot be settled quickly but it is necessary to create grounds for peace and mutual trust.

On Vietnamese refugees in the Philippines and other Southeast Asian countries, Mr. Nguyen Manh Cam said Vietnam had signed with the Philippines an agreement to repatriate more than 200 Vietnamese who are not entitled for refugee status. The principles of Vietnam applied with other countries, including the Philippines is voluntary and orderly repatriation with respect to the dignity and with international assistance. Philippine Foreign Minister Romulo said these principles are reasonable and he believed that the issue will be settled well. According to Foreign Minister Nguyen Manh Cam, Vietnam has settled the same problem with Hong Kong and has signed agreements with Malaysia and Indonesia. Thailand has also accepted these principles of Vietnam. So the problem of boat people can be considered settled in all Southeast Asian countries.

On Australia's viewpoint on the human rights issue in Vietnam, Mr. Cam said Australia has respected Vietnam's opinion in its positive aspects on this issue. A consultative delegation of Australian Parliament will soon visit Vietnam to promote bilateral relations, not to investigate or study the human rights issue in Vietnam.

Results of the recent visit of Foreign Minister Nguyen Manh Cam will certainly contribute to strengthening cooperative ties between Vietnam and the Philippines, Australia, and Singapore.

Defense Ministry Unit Reviews Inspection Work

BK1702060495 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 Feb 95

[FBIS Translated Text] The Ministry of National Defense's Inspection Department held a conference from 14 to 16 February to review the all-Army inspection work for 1994 and launch a campaign among all military inspection organs and units to step up their activities in 1995 as a practical greeting to this year's important national anniversaries.

The most important achievement of the all-Army inspection sector was its assistance to the Ministry of National Defense in fulfilling its duty of state management in national defense. Ministry of National Defense inspectors worked closely with localities and inspectors of other sectors to preserve the moral qualities of the Army. Inspection results helped leaders and commanders comprehend their units better and submit more suggestions and measures regarding the armed forces building task and national defense management efficiency to the party Central Committee Military Commission, thus contributing effectively to the enhancement of the general quality of our people's armed forces.

Last year the sector carried out 361 inspections focusing mainly on implementing duties in national defense, military activity, logistics, techniques, economics, and finance. The operations recovered tens of billions of dong for the national budget.

Vietsovpetro Strikes Oil Off Southern Coast

BK1602140595 Hanoi Voice of Vietnam in English 1000 GMT 16 Feb 95

[FBIS Transcribed Text] Vietsovpetro has struck new oil in the Rong (Dragon) field off Vietnam's southern coast. The find was the 13th well operated by this joint venture between Vietnam and Russia.

The well's production is estimated at 400 cubic meters per day. Vietnam has signed about 30 product-sharing contracts with foreign oil firms. It has said it plans to produce 7.5 million tonnes of oil 1995.

Australia

Response to Portuguese Suit on East Timor

ICJ Holds Hearing

LD1602183595 Melbourne Radio Australia in English 1600 GMT 16 Feb 95

[FBIS Transcribed Excerpt] Australia says that Portugal, in bringing a case against it in the International Court of Justice [ICJ], has ignored Australia's rights to its own undersea resources. The accusation was made in the court in The Hague by the Australian Solicitor General Gavan Griffith as Australia wound up its defense.

The Portuguese action claims that Australia violated the rights of the people of East Timor by signing the 1989 Timor Gap Treaty, which divides the exploitation of oil and gas reserves in the area between Australia and Indonesia. Lisbon also claims that its own rights as the legitimate administrative power in East Timor were violated.

Mr. Griffith said Portugal had ignored the rights of Australia which has specific legal claim to the resources covered by the treaty. He said the treaty, which enables Australia to exploit its own resources and security, was a practical solution. [passage omitted]

Solicitor Defends Stance

BK1702052495 Melbourne Radio Australia in English 0100 GMT 17 Feb 95

[FBIS Transcribed Text] Australia has accused Portugal of taking it to the International Court of Justice in the Hague simply to get at Indonesia. Majella Anning reports counsel for Australia again repeated that Australia recognizes the right of East Timor to self-determination.

[Begin Anning recording] Portugal is challenging Australia's right to sign a treaty with Indonesia, dividing up oil and gas resources in the Timor Sea. In its final submission, Australia said Portugal had spoken about its rights and those of East Timor, but had not mentioned Australia's rights to protect and exploit its own offshore resources.

Counsel for Australia, the Solicitor General Gavan Griffith, said Portugal was deliberately using the court to condemn Australia because it knew the United Nations would not criticize Australia for concluding such a treaty. Anyway, he said, the treaty with Indonesia would not be binding on East Timor if it gained independence. [end recording]

More PRC Wheat Imports Despite U.S. Subsidy

BK1702082095 Hong Kong AFP in English 0504 GMT 17 Feb 95

[FBIS Transcribed Text] Sydney, Feb 17 (AFP)—Australia is confident of securing a larger share of China's wheat imports despite possible new import restrictions and subsidised competition from the United States, a Senate committee was told Friday.

The Australian Wheat Board (AWB) told the upper house Senate Committee on Foreign Affairs, Defence and Trade a proposal by China to implement a tariff-quota would restrict market access and tighten government controls on wheat imports.

But China would have to keep importing wheat for some time, and as consumption grew and buyers became more quality-conscious, Australia would be well-placed to obtain a larger share of the market.

"The AWB does not believe that China will be able to increase domestic production fast enough to cope with this burgeoning domestic demand," the board said in a submission to the committee.

Australia, traditionally one of China's major suppliers of wheat, started losing market share when the United States began selling subsidised wheat to that market in 1986.

Competition for market share in China was still intense, with the United States and Canada competing heavily for business.

But the medium to long-term effect of the General Agreement on Tariffs and Trade (GATT) would reduce US and European export subsidies, lift world prices, and increase price returns available from China, the submission said.

Wheat consumption in China is projected to increase from 113 million tonnes a year to 126 million tonnes by 2000.

"As domestic wheat consumption continues to expand and as the milling industry and end-product consumers become more quality-conscious, the AWB is confident of securing a larger share of the Chinese market for wheat imports."

The submission said the AWB was leading a consortium of Australian companies to secure more than one million Australian dollars (750,000 US) in construction work in China involving the modernising of grain storage and handling systems.

Such projects would put Australia in a strong position to win a major part of the business after the drought ends.

In 1993-94 Australia exported 1.1 million tonnes of wheat to China but this would drop sharply this financial year because of a small harvest caused by the drought.

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